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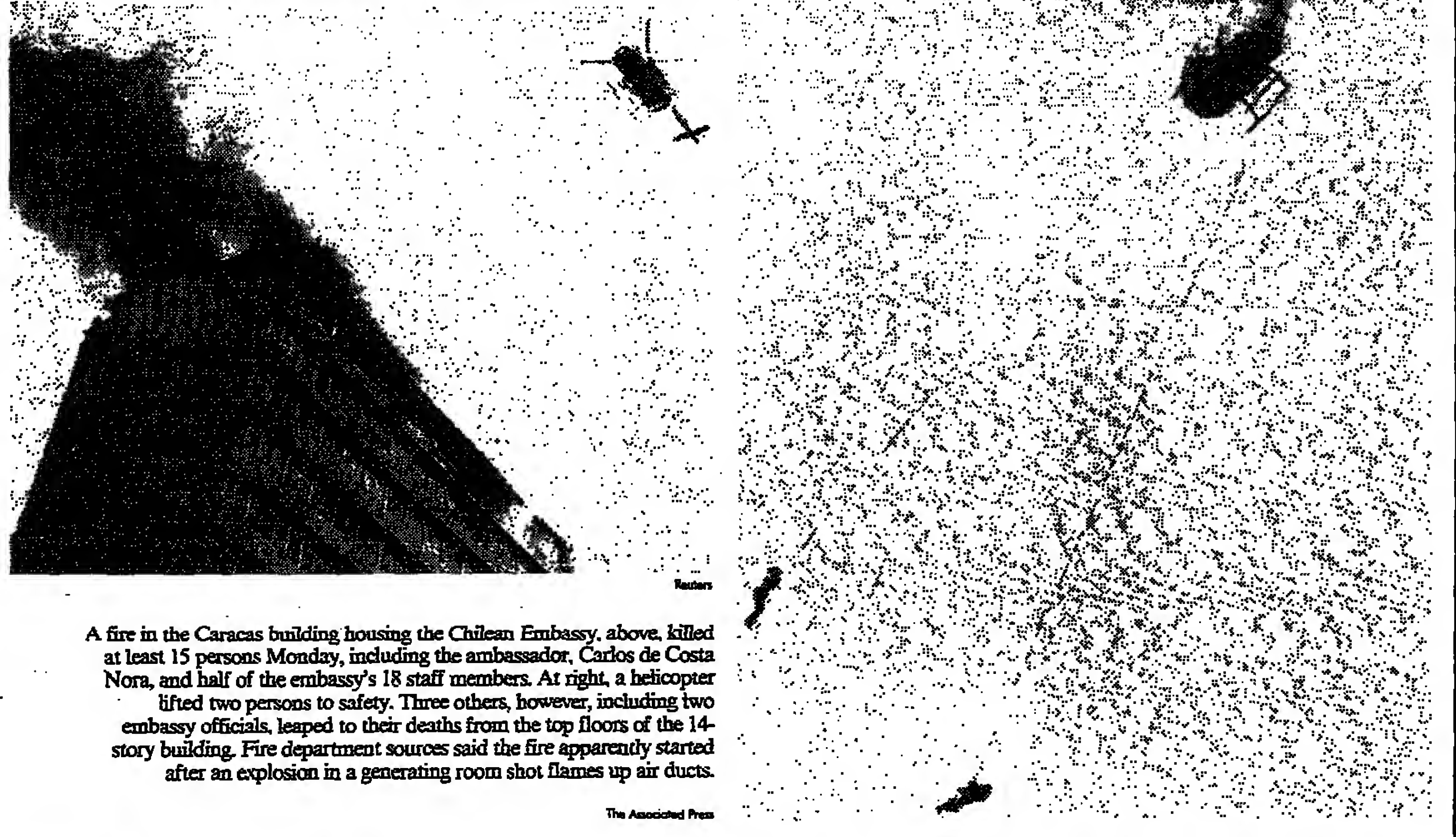
ESTABLISHED 1887

Progress Cited in Geneva

Proposals Involve Medium-Range Arms in Europe

By William Drozdiak Washington Post Service BONN — The United States and the Soviet Union concluded Tuesday a seven-week round of talks in Geneva on limiting nuclear and space weapons that produced the first signs of tangible progress toward an interim accord since the negotiations opened a year ago.

Fire in Venezuela Kills Chilean Envoy, 14 Others



A fire in the Caracas building housing the Chilean Embassy, above, killed at least 15 persons Monday, including the ambassador, Carlos de Costa Nona, and half of the embassy's 18 staff members.

author of the drug-enforcement report, said, "If you take an honest look, in most all cases it would be suitable." The report also advocated prosecution of people caught possessing small quantities of drugs, including marijuana.

Panel Urges Drug Tests for Most Working Americans

By Joel Brinkley New York Times Service WASHINGTON — The President's Commission on Organized Crime, completing 32 months of investigation, has recommended a widespread national program to test most working Americans for drug use.

Botha Will Lift Emergency and Act on Namibia

CAPE TOWN — President Pieter W. Botha announced Tuesday that the state of emergency in parts of South Africa would be lifted, perhaps as early as Friday. At a special session of Parliament, he also proposed Aug. 1 as a date to start carrying out a United Nations plan for the territory of South-West Africa to become the independent nation of Namibia.

Philosophers Wanted

Computer Firms Seek Real Thinkers To Help Develop Artificial Intelligence

By Elizabeth M. Fowler New York Times Service NEW YORK — An industry of the future — artificial intelligence — needs philosophers. Dr. Clark Glymour, professor of philosophy at Carnegie-Mellon University in Pittsburgh, speaks of an increased demand for philosophy majors, calling it a "growing field."



Waldheim Served Wehrmacht Unit Linked to Atrocities in the Balkans

By John Tagliabue New York Times Service VIENNA — Kurt Waldheim, the former secretary-general of the United Nations, was attached to a German Army command in World War II that fought brutal campaigns against Yugoslav partisans and engaged in mass deportations of Greek Jews, according to official documents made available here.

Cabinet Splits Emerge Over Powers for Aquino

By Michael Richardson International Herald Tribune MANILA — Proposals to declare the Philippine administration of President Corason C. Aquino a "revolutionary government" with sweeping powers are causing divisions in the cabinet.



Neptali Gonzales Mr. Laurel said the new constitution was necessary to speed up the return to political normalcy and stability which is the key to economic recovery.

Manila Moves to Recover Marcos Currency in U.S.

By Bernard Gwertzman New York Times Service WASHINGTON — The Philippine government has moved in U.S. District Court in Hawaii to recover millions of dollars in currency taken by Ferdinand E. Marcos and his party when they left the Philippines last week.

INSIDE GENERAL NEWS ■ Angolan rebels said they captured 150 foreign workers at a diamond-mining town. Page 2. ■ Congress is considering new U.S. revenue sources, including a tax amnesty. Page 3. INSIGHTS ■ François Mitterrand relies on the grandeur of the presidency to try to rally support in the coming elections. Page 8. BUSINESS/FINANCE ■ U.S. leading indicators fell 0.6 percent in January, after a revised 1.5-percent jump in December. Page 9.

A Lagos Sampler: Bread Ladies, Roadblocks, a Bolder Press

By Edward A. Gargan
New York Times Service



Bread ladies display their loaves at an open market in Lagos.

LAGOS — Toward evening, just before the day's heat begins its reluctant nocturnal retreat, the bread ladies come out.

Along four-lane paved boulevards, at bus depots on patches of hard-packed brown dirt and among squatting cassava and yam sellers at little markets, the bread ladies glide along like ships gracefully slicing through churning water, the golden brown loaves of bread stacked on their heads like so many blocks of wood.

They are a welcome sight here, a reassuring sign that despite economic woes and political malstroms, something still endures: the certainty of bread.

That certainty was shaken a bit recently with a surge in bread prices that seemed to augur the beginnings of a nationwide bread shortage. Prices began their spurt soon after Flour Mills of Nigeria Ltd., the main flour mill in the country, announced that it was shutting down for three weeks because it could not import wheat.

Flour prices doubled and tripled overnight as bakers tried frantically to buy what was left of a suddenly dwindling supply. Officially, a 110-pound (50-kilogram) sack of flour should sell for about \$22. But flour merchants were seen hawking bags at anywhere from \$62 to \$80.

"If this state of affairs continues, there will be no bread anywhere," said J.O. Elijah, the marketing manager of Defacto Bakeries.

bread ladies were raising their prices so that the smallest loaf, which used to cost 30 cents, is now selling for 40 cents. The largest loaves shot up to \$2 from about \$1.

A bread lady swayed down Keffi Street on Ikoyi Island and paused in front of a whitewashed cement chamber large enough to hold the photocopying machine inside, which duplicates documents for 30 cents. She sold a loaf at the new price.

The copy man seemed to sigh a bit. "Nothing to do," he said.

Roadblocks, a bane for motorists in Lagos and a headache for the government, have been sprouting and wilting like dandelions doused with a weak herbicide.

Throughout the city, especially at night, groups of policemen, many with automatic pistols or Belgian-made automatic rifles slung over their shoulders, position themselves next to battered oil drums that block all but one lane of traffic.

As cars push slowly ahead, a police officer looks at the occupants of each car and then, sullenly, usually waves it on. Private cars tend to pass roadblocks quickly, but taxis and the little vans packed with passengers are often pulled aside so that questions can be asked, papers scrutinized and bundles examined.

"They want a little something," a Lagos resident said. He said the roadblocks would be a fact of life as long as the police were underpaid.

Outside the city on the main roads heading east, the roadblocks increase, manned by policemen or soldiers. The government issued harsh instructions a short while ago to dismantle the roadblocks. For a time, traffic picked up and cars whizzed around the city unmolested.

Then, three lanes of traffic ground to a halt on the Lagos-Ibadan expressway in Ikeja, a northern section of the city. Squeezing into one lane, traffic crawled forward toward a cluster of policemen who were pulling cars over, opening trunks and looking at identity papers. "Why are you doing this?" a sergeant was asked.

"We ask the questions," he said, before waving the gray Peugeot on.

Nigeria's military government, which took power in a coup in August, has given the country's press free rein again, in a rather pointed departure from the practices of its immediate predecessors.

Intoxicated by the revival of liberty, the country's newspapers and magazines published impassioned editorials and showed a noticeably reduced reverence for official authority. Headlines scream of corruption in high places, favoritism and incompetence by government officials. The press was feeling good.

But on Feb. 6, official tolerance seemed to reach its limit.

Six editors of the influential weekly magazine *Watch* were hauled into court by Judge Uwaiso, the head of a special tribunal that ruled that Nigeria's last civilian president, Shehu Shari, was not guilty of corruption charges and should be released from detention. Judge Uwaiso was sued by *News Watch's* editorial reaction.

"The whole thing was a farce, inelegantly contrived in the manner of a kangaroo court, rendered even more kangaroo-like—permit the coinage—by the subject naïveté of the presiding judge," wrote *News Watch's* deputy editor in chief.

When Mr. Ekpa and his colleagues appeared before him, Judge Uwaiso lashed out, declaring that the editorial was a calculated attempt to destroy the very basis of the tribunal.

Turning to Mr. Ekpa, the judge said: "If you have enemies to fight, you don't look to this panel. If you want to destroy them, you pray for thunder or rain-storm and that may help you to strike them down." Judge Uwaiso then fined Mr. Ekpa \$20.

News Watch said it would appeal. The president of the National Union of Journalists, George Uzobo, ordered a boycott of all tribunals by reporters for a week.

For his part, Mr. Ekpa said he was undeterred. "I will continue to write about this," he said. "No, I'm not intimidated. In Nigeria, you cannot use kid gloves. You have to hit them with bare knuckles."

REPORTER'S NOTEBOOK

chime inside, which duplicates documents for 30 cents. She sold a loaf at the new price.

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Angolan Rebels Say They Captured 150 Foreigners at Diamond Mines

LISBON — Anti-government guerrillas in Angola have announced that they captured more than 150 foreign workers at a diamond-mining town in the northeast. The insurgents said that the workers would be marched several hundred miles south to rebel headquarters and then released.

The National Union for the Total Independence of Angola issued a statement Monday night in Lisbon saying that the foreigners included Portuguese, Filipinos, Romanians, Britons and a West German.

They were seized Saturday when the insurgents stormed the town of Andrada in Lunda province, near the border with Zaire, according to the statement from the rebel group.

The group, known as UNITA, said its guerrillas had killed 60 Angolan government soldiers in the three-hour battle, had seized many kilograms of "pure diamonds" and hundreds of weapons, and were still holding the town. The rebels put their own losses at 19 killed.

There was no official reaction from the Angolan government.

[The International Committee of the Red Cross confirmed Tuesday that UNITA had carried out the raid and that it had promised to release the foreigners after marching them south, as it has done with previous groups of captured foreigners, United Press International reported from Geneva.

[A spokeswoman said the insurgents claim to control large areas in southern and eastern Angola and have their headquarters at Jamba, in the southeast. They are supplied by South Africa through Namibia, or South-West Africa, which borders Angola to the south.

The Reagan administration announced last month, after a visit to Washington by Mr. Savimbi, that it would provide "moral and material support" to the Angolan rebels in their fight against the Marxist, Soviet-backed government in Luanda.

The Angolan government relies on diamonds, along with crude oil, for hard-currency revenue. Andrada was one of the last major diamond-mining centers operating securely in Lunda province.

A number of European technicians were employed in Lunda by the state diamond-mining company, Diamang, and another concern, Intraco.

UNITA frequently has said that it would strike strategic military and economic targets, and it has warned foreigners not to work in Angola.

"Every foreigner working in Angola risks his life," said a rebel spokesman in Lisbon. But he added that the Savimbi group would do everything possible to guarantee the safety of the prisoners, and said they were all in good health.

The spokesman said that the captives would be released without conditions. He said they had been moved from Andrada and would be marched about 700 miles (1,130 kilometers) south to the rebel headquarters at Jamba.

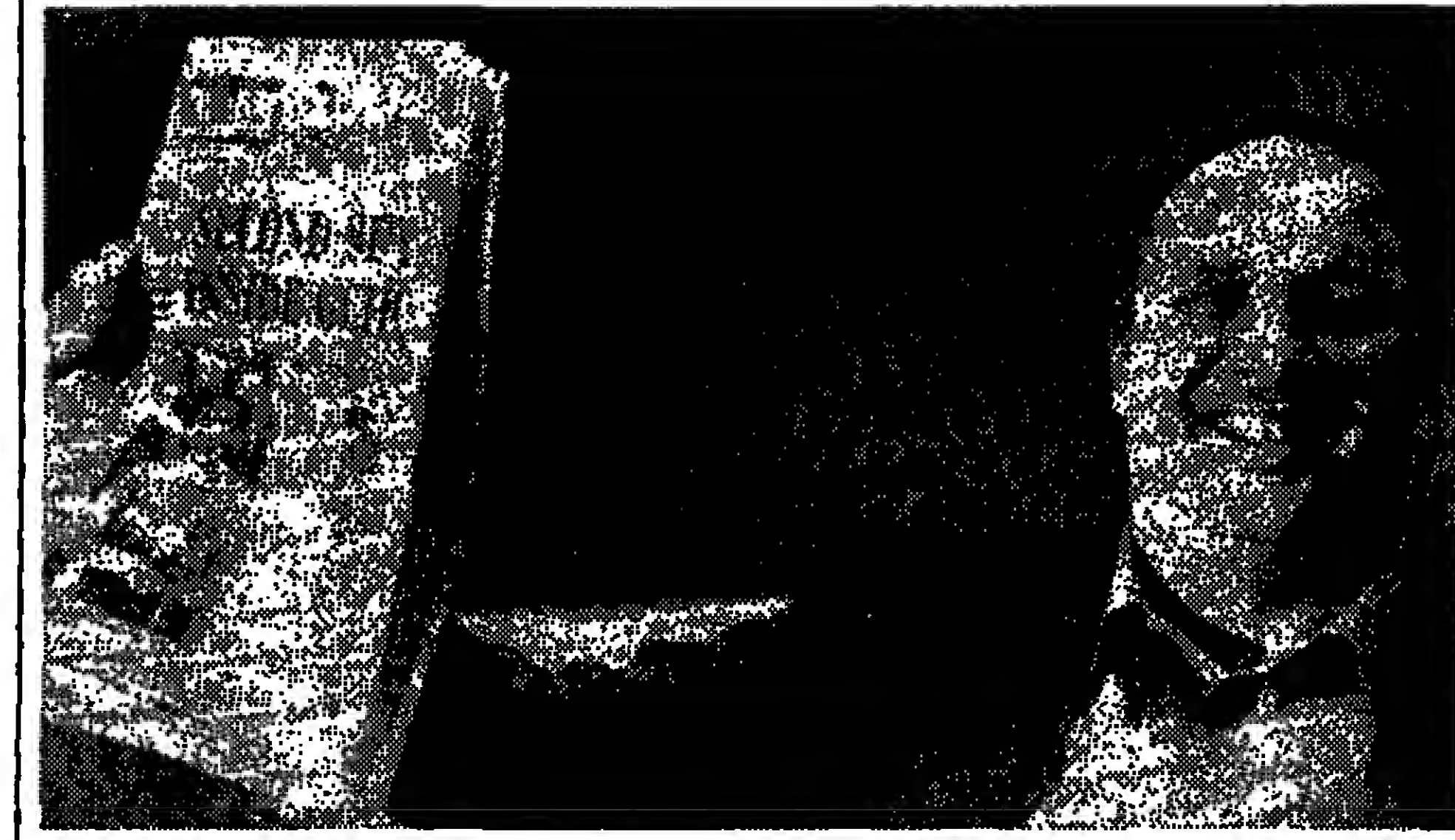
To reach Jamba, the captives would have to pass through the eastern province of Namibe, which in recent months has been the scene of fierce clashes between the rebels and government forces.

The group of 150 captives would be the largest group of foreign workers ever captured by UNITA in Angola.

The insurgents seized more than 100 foreign workers in two attacks in the Kafunfo mines in Lunda province in February 1984 and in December of that year. Most of them were Filipinos and Portuguese, although there were some British technicians.

All of those captives were released unharmed after the march to Jamba.

In London, a Foreign Office spokesman said Tuesday that the British government had expressed deep concern to the Angolan rebels that Britons had again been captured "while going about their legitimate business."



BRITAIN'S NEWEST PAPER — Eddie Shah, the publisher, with a copy of Today, which appeared on Tuesday. Today, a color tabloid that is Britain's first national paper to be produced by electronic means, had first-day problems that made it late in some cities and that kept the print run to 1.1 million copies, 300,000 fewer than planned.

Waldheim Served German Unit Linked to Atrocities

(Continued from Page 1)

was not forthcoming about his past.

According to the records made available to *The New York Times*, Mr. Waldheim, as a 20-year-old student at the Consular Academy in Vienna, was enrolled April 1, 1938, in the Nazi student union.

The following Nov. 18, he was enrolled in a mounted unit of the Sturmabteilung, or SA, the paramilitary Nazi organization known as the Brownshirts. He remained a member until he entered military service on Aug. 15, 1939.

Mr. Waldheim said he became aware after the war that he had been enrolled in the SA, but that he had not considered himself, at the time, a member of that organization or of the Nazi student union.

The two groups, he said, had been established by "one or two students" and were used for "social gatherings, coffee parties and things like that."

He said his basic motive for taking part in the gatherings was to shield himself and his family from political harassment.

Mr. Waldheim's personnel file in the Austrian Justice Ministry quotes a character reference written in 1940 by a *gastgeber*, a Nazi party official, revealing lingering distrust. The official described Mr. Waldheim's father, Walter, a schoolteacher until the Nazis stripped him of his job, as a follower of Kurt Schuschnigg, the Austrian leader who opposed the Anschluss, and said that the son "through

his braggadocio gave proof of his antipathy toward our movement."

The official added that the younger Waldheim had "proved himself" through military service, eliminating doubt of his qualification for government service.

Mr. Waldheim, discussing his having joined the student group at the Consular Academy, said in the interview:

"I did not want to refuse because I thought that is harmless, it is not political involvement. Naturally, it was important for me. If I ever had the idea of finishing my studies, I had to have some protection."

"I never received a membership card. I was never informed that I had become a member. The most that can be concluded from this is that somewhere in a file it was listed as a candidate, but even that I do not know."

In 1946, when Mr. Waldheim was appointed private secretary to the Austrian foreign minister of the time, Karl Gruber, a Socialist, an anonymous denunciation led to an investigation of his political past. Though the inquiry absolved him of any Nazi links, the enrollment records were evidently never deleted from his personal file.

Why had he never discussed this when accused of Nazi ties? Mr. Waldheim said he had not been a member.

"And even if it were true, well, so what," he said. "It would still not be a sign of Nazi thinking or that I was a proponent of theirs. You should not exaggerate. The student union was nothing, a totally harmless, fully uninteresting organization, in which most of those went who wanted to study, to somehow be left in peace."

He was equally insistent in defending his record as a soldier. The potential embarrassment arises from his service on the staff of General Alexander Loehr, an Austrian who was executed as a war criminal in Belgrade in 1947.

Mr. Waldheim acknowledged that he served on General Loehr's

staff in 1942 and 1943, at a time of military operations against Yugoslav partisans and mass deportations of Greek Jews.

Mr. Waldheim had not previously disclosed information about this period. In his recent autobiography, "In the Eye of the Storm," he suggests that his military career ended in December 1941, when he was wounded in the leg on the eastern front near the Russian town of Orel, and that after his recovery in 1942, he was permitted to resume his law studies.

But German military records in West Berlin show that Mr. Waldheim was assigned to German Army Command 12, based in Salonika, Greece, on March 14, 1942, and was sent to Belgrade where he apparently served as an Italian-German interpreter in Yugoslavia and Albania in 1942 and 1943.

General Loehr's command, including German, Italian, Croatian and Bulgarian forces, was then engaged in campaigns against Tito's partisans in which villages thought to be harboring guerrillas were wiped out.

In July 1942, Mr. Waldheim was awarded Croatia's Zvonimir medal, in silver and with oak leaves, indicating that it was earned "under enemy fire."

Moreover, a photograph that was discovered last year by an amateur historian in Innsbruck shows Mr. Waldheim with Italian and German officers, including General Arthur Phleps, the commander of the 7th SS Volunteer Division, on May 22, 1943, at an airstrip at the town of Podgorica, in Montenegro. The town is now named Titograd.

According to records of the Yugoslav War Crimes Commission, General Phleps's division, composed of Croatian and other Slavic volunteers, was guilty of some of the most brutal crimes against civilians.

Mr. Waldheim called it "absolutely absurd" that he was in any way involved in atrocities. He said that he served on General Loehr's

ers in discussions between Italian and German commanders.

Mr. Waldheim acknowledged having received the Zvonimir medal, but said it was given to virtually all staff members "as a matter of routine."

"Someone with bad intentions might conclude, because partisans were there, Waldheim must have committed war crimes," he said. "That is pure nonsense."

According to Raul Hilberg, an American historian, the deportation of 42,830 Jews from Salonika to death camps at Auschwitz, Treblinka and Lublin was carried out by German forces under the command of General Loehr between March and May 1943. During part of that time, Mr. Waldheim was in Salonika.

Witnesses described how dozens of German Army trains left Salonika day after day bearing the Jews to their death in extermination camps.

Mr. Waldheim acknowledged that he had been serving on General Loehr's staff in Salonika, but he said his activity consisted in analyzing reports on enemy troop movements. He denied knowing anything of the deportations.

Mr. Waldheim, visibly shaken, said, "I regret these things most deeply, but I have to repeat that it is really the first time that I hear that such things happened. I never heard or learned anything of this while I was there."

Although Mr. Waldheim writes in his autobiography that he studied law in Vienna during this period, he in fact continued his military service under General Loehr in the Balkans until the end of the war.

The version of Mr. Waldheim's war record that he conveys in the autobiography was also communicated by him to Representative Stephen J. Solzgar, a New York Democrat, in November 1980, when the legislator wrote to him about his war record.

Mr. Waldheim responded, "First of all, I wish to say that I was never associated in any way with the Nazi youth movement." Referring to his service with an Austrian division on the eastern front in 1941, Mr. Waldheim told Mr. Solzgar that he had served with a reconnaissance unit.

"It certainly had no contact or connection with extermination units," Mr. Waldheim told the congressman. "I myself was wounded on the eastern front and, being incapacitated for further service at the front, resumed my law studies at Vienna University, where I graduated in 1944."

Mr. Solzgar also asked the CIA for information and was informed: "We believe that Waldheim was not a member of the Nazi youth movement, nor was he involved in anti-Jewish activities."

WORLD BRIEFS

China Convicts Russian in Hijacking

BEIJING (UPI) — A Soviet co-pilot who commandeered an Aeroflot domestic airliner to China in December was convicted on hijacking charges Tuesday, officials said.

Soviet officials said they would seek the return of Alimuradov Shamil Gadji Ogly, who was found guilty after a one-day trial in the Harbin Intermediate People's Court. Mr. Ogly, the plane's co-pilot, seized an Antonov-24 aircraft with 42 other people aboard on Dec. 19. It made a forced landing in a snow-covered pasture across the Soviet-Chinese border.

Under Chinese law, hijacking is a "counterrevolutionary" crime carrying a maximum penalty of life imprisonment. But court observers said Mr. Ogly was expected to receive a prison sentence of less than 10 years. China returned the aircraft and 42 passengers and crew to the Soviet Union but kept Mr. Ogly in custody.

Clergy Protests U.S. Nicaragua Policy

WASHINGTON (AP) — Nearly 200 American religious leaders formed a human cross on the Capitol steps Tuesday in a protest commemorating persons killed in Nicaragua. They accused the Reagan administration of preferring "terrorism to the pursuit of peace."

"The government's distortion campaign is to prepare the American people for further U.S. military action in Nicaragua," said a declaration signed by the religious leaders and read by Bishop Thomas Gumbleton, the Roman Catholic bishop of Detroit. Signers included 21 Roman Catholic, Methodist, Episcopal and Lutheran bishops, top officials of the United Church of Christ, the Christian Church (Disciples of Christ), the Mennonite Church, the Unitarian Universalist Association, the National Council of Churches and more than a dozen rabbis.

The demonstrators urged rejection of the administration's proposed \$100 million in new aid for Nicaragua's anti-Sandinista rebels. About 95 persons were arrested Monday in three protests in the United States against increased rebel aid.

Ulster Loyalists Vow New Actions

BELFAST (Reuters) — Protestant Unionist leaders in Northern Ireland pledged Tuesday to pursue their campaign to derail the British-Irish agreement on the "province" but ruled out any further strikes for now.

A one-day "general" strike Monday day to protest the agreement that gives Ireland a say in running the British province was marked by widespread violence and intimidation of people trying to go to work. The violence was condemned by the leaders of the two main Loyalist Protestant parties supporting continued union with Britain, the Reverend Ian Paisley and James Molloy.

The leaders indicated the next step in their campaign could be mass withdrawals from such government bodies as health and education boards, paralyzing their operations.

Mr. Paisley said the next step in their campaign could be mass withdrawals from such government bodies as health and education boards, paralyzing their operations.

U.S. Official Defends Some PLO Acts

WASHINGTON (AP) — The State Department's director of Arab and Peninsula affairs has described some of the armed assaults against Israel by the Palestine Liberation Organization as "legitimate actions of resistance."

In a television interview broadcast Monday in the Gulf region, Gordon S. Brown said the acts were part of a 40-year Arab-Israeli conflict and therefore different from assaults by Palestinians against innocent civilians in other countries. "Some PLO actions I would expect would fall within our definition of legitimate actions of resistance within occupied territories," he said on Wednesday, a program sponsored by the U.S. Information Agency. He added that other attacks clearly "would not."

Later he said he had "mishandled" his response to a question: A spokesman for the Israeli Embassy in Washington said Israel had complained to the State Department about Mr. Brown's remarks.

Funds Sought for Nuclear SDI Research

WASHINGTON (UPI) — President Ronald Reagan asked Congress on Tuesday for \$62 million to step up nuclear research associated with his Strategic Defense Initiative.

Mr. Reagan sought authority to transfer the money from the Defense Department to the Energy Department to study "the threat posed by directed-energy weapons" to a space-based missile defense system. A spokesman for the Energy Department described the \$62 million as "bridge money" needed to help the department prepare for a requested twofold increase in spending on nuclear SDI-related research next year. Mr. Reagan has in public limited his discussion of SDI to the investigation of "nonnuclear defensive systems" capable of destroying nuclear missiles in flight.

For the Record

Egypt and Israel resumed negotiations Tuesday on the issue of the Taba enclave on the Gulf of Aqaba with the new session concentrating on plans for international arbitration. (AP)

A branch of the Bank of France in Niort was robbed of up to 29 million francs (about \$4.3 million) in cash Tuesday by an armed gang. (AP)

Anne L. Henderson-Pollard, whose husband, Jonathan Jay Pollard, has been accused of spying for Israel, has been released from jail on bond, officials said Tuesday. She had been held since Nov. 22 in Washington on a charge of possessing classified documents. (AP)

Representative John E. Groberg, 60, an Illinois Republican, has emerged from a five-week coma, a complication of experimental cancer therapy, and is weakly gesturing to communicate while on a respirator, an aide said Tuesday. (UPI)

Botha Prepares End to Emergency, Action on Namibia

(Continued from Page 1)

administration and a transfer of power to the Namibian people, a majority of whom are black.

The UN plan calls for a ceasefire between the South African military and guerrillas of the South West African People's Organization that is fighting to end South African rule.

Mr. Botha invoked emergency rule in 36 of the South Africa's 265 administrative districts July 21. The state of emergency was extended to Cape Town three months later but lifted in some other areas.

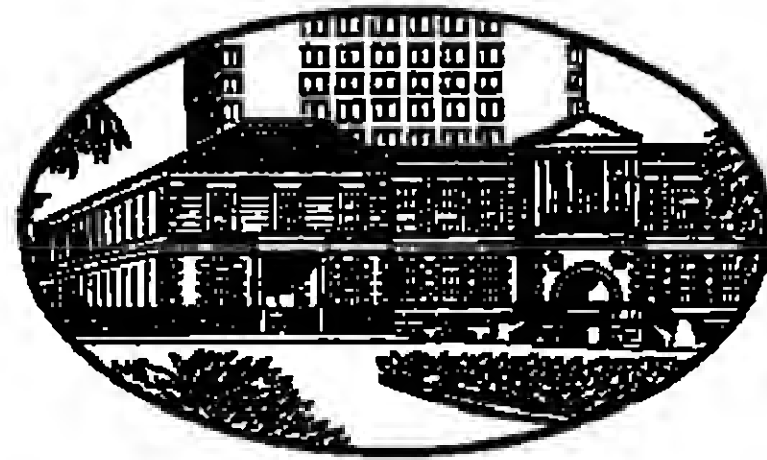
Since then, emergency measures have been lifted in more areas, but the population centers around Johannesburg, Cape Town and Port Elizabeth have remained subject to special police and military powers.

During the state of emergency, almost 7,800 people have been detained without charge for minimum periods of 14 days. More than 1,100 people have died during 17 months of racial violence.

The Foreign Office said the end of the emergency "should help to reduce tension and encourage prospects for dialogue."

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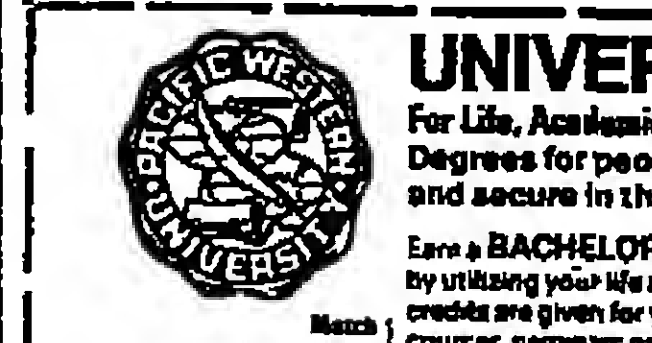
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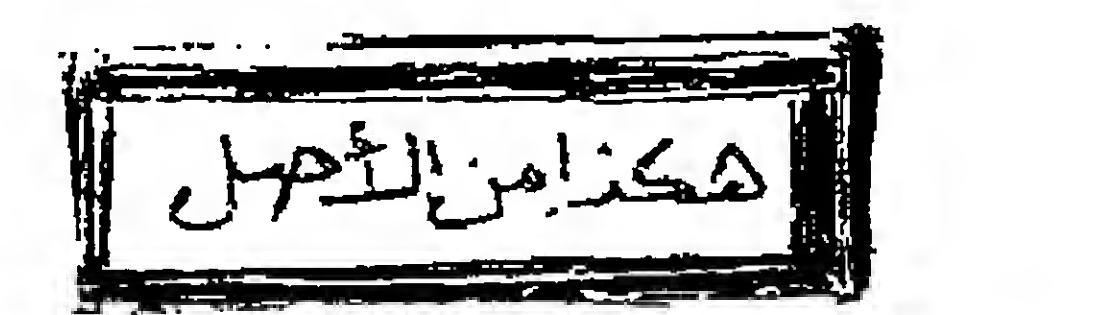
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Libya Says It Created 'Suicide Commandos'

Agence France-Press
PARIS — Libya's parliament announced the creation of "suicide commandos" to attack U.S. Israeli interests worldwide, the report says. The People's General Congress called Monday for attacks on "American and Zionist embassies in the Arab world" and on "public and secret organizations of the world Zionist movement."



House, Senate Consider New Revenue Sources, Including Tax Amnesty

By Jonathan Fuhrberger
New York Times Service
WASHINGTON — The chairmen of the House and Senate budget committees are discussing a revenue increase of about \$16 billion for the fiscal 1987 federal budget, according to aides, and are considering enactment of a brief tax amnesty in order to reduce budget deficits.

In addition, as a "starting point" for negotiations, the chairmen are considering an increase in the military budget that would only make up for inflation.

President Ronald Reagan has requested an increase of 8 percent, in addition to an inflation adjustment. The "starting point" figure would make it difficult for him to get more than the inflation adjustment, unless he withdraws his strong opposition to tax increases.

An agreement along those lines between Representative William E. Gray 3d of Pennsylvania, a Democrat, and Senator Pete V. Domenici of New Mexico, a Republican, was worked out by their staffs Monday night, subject to approval by the chairmen themselves.

Under such a plan, people who owe back taxes could, for a limited period, pay them without penalty. The proposal, basically a one-time infusion of revenue, could raise over \$8.6 billion in 1987, according to the Senate Budget Committee.

[Roscoe L. Egger Jr., commissioner of the Internal Revenue Service, told a House Ways and Means subcommittee Tuesday that he had not changed his opposition to a tax amnesty. The Associated Press reported.

[He said that such a plan might set a dangerous precedent that could be resented by honest taxpayers as a special break for cheaters.]

An agreement between the House and Senate chairmen before the budget-drafting process starts in their respective committees could make it much more difficult for Mr. Reagan to bargain with Congress on the budget.

Mr. Reagan has insisted on no tax increases and went on national television last week to lobby for the full 8 percent increase he wants in the military budget.

The Senate Budget Committee started writing its budget resolution Tuesday outlining spending and revenue for the fiscal year 1987, which begins Oct. 1. The House panel is likely to start its drafting next week.

The Senate panel's list of options will include the tax amnesty and a wide range of tax increase proposals, including an oil import fee, a higher gasoline tax and increased taxation of Social Security benefits.

Mr. Reagan, in the budget he proposed last month, included revenue increases totaling about \$6 billion. Under the proposed congressional accord, the two committees would add about \$10 billion more, bringing the total revenue increase to \$16 billion.

But neither side has made decisions about how to raise the revenue.

Mr. Domenici has contended that since Mr. Reagan unveiled his budget in early February that a tax increase of \$12 billion to \$20 billion would have to be a component of any budget package this year, especially if the president is to have a chance at getting his 8 percent increase in the military budget.

Under the plan being discussed, the two committees would also agree to use the Congressional Budget Office's estimates for the projection of military spending.

This means that Mr. Reagan's budget, in the analysis prepared for the Senate Budget Committee, underestimates 1987 military spending by \$14.5 billion.



SPY TRIAL TO OPEN — Jerry A. Whitworth, a former navy communications specialist, outside a U.S. court in San Francisco for a hearing prior to his trial later this week on espionage and tax fraud charges.

Astronauts 'Upset' They Weren't Told Of Problem, but Want to Keep Flying

By Robert Reinhold
New York Times Service

HOUSTON — A senior astronaut says he was very upset that he and other astronauts were not informed that the space shuttle had a chronic problem with seals on its booster rockets.

Henry W. Hartsfield, who has flown three shuttle missions, two as commander, said Monday that it was "amazing" that crews were left unaware of seal problems detected in 12 of the 24 previous shuttle flights and of the fact that redesign was being actively considered.

"I am very much upset we did not know about it," he said. "It caught me completely by surprise."

Trouble with the O-ring seals on the solid-fuel booster rockets is now regarded as the chief suspect in the explosion that destroyed the shuttle Challenger on Jan. 28, killing all seven crew members.

Mr. Hartsfield was one of four astronauts made available for interviews. All four said they were unaware of the problem, but he was the most vocal about not having been told of the potential risk: "I may have said go fly anyhow, but the fact that I never had the opportunity to make up my own mind kind of made me angry."

He added: "If we don't make something better out of this, we're missing a safe bet. I think my friends who died would want us to be better for it."

All four astronauts said they were confident that the National Aeronautics and Space Administration would resolve the problems that might have contributed to the accident and that they would be willing to fly the shuttle again.

"I hope I'm on the next crew after they fix this," said Vance DeVoe Brand, who first went into space on the Apollo-Soyuz Test Project mission in 1975.

Each of the astronauts interviewed is a former test pilot. The four were presented by NASA for interviews in response to numerous requests.

The two others were Charles G. Fullerton, an air force colonel who commanded the Spacelab-2 mission last summer, and Joe Henry Engle, also an air force colonel, who commanded a shuttle mission in August and September.

Mr. Fullerton was more tolerant about the problem than was Mr. Hartsfield. Was he concerned about reports that top NASA managers were not informed about engineers' doubts about flying in cold weather, or that some other flaw might go similarly unreported in a future flight? "I have total confidence that we'll do things more safely than in the past," he said.

Mr. Engle said safety could not be a totally overriding factor. "You make compromises when you fly," he said, adding that the passenger

takes risks every time he boards a commercial flight.

Mr. Brand expressed some frustration about the seals. "I think we should have known about it," he said.

He said that he had expected a crash sometime in the first "few hundred" shuttle flights as part of "what we normally face in the aerospace business," but that he was surprised it happened so soon.

Mr. Brand said that he was confident now that all major safety factors would be addressed thoroughly, such as the reliability of the brakes and the unpredictability of the weather at Cape Canaveral, Florida, the shuttle launching site.

As for suggestions that the shuttle program has been under excessive pressure to launch, the four astronauts essentially agreed that this was part of the inherent risk of space flight.

"There is no doubt we set up an ambitious schedule for this year," Mr. Fullerton said. "There was not much slack in it. Certainly the presidential commission should look into whether that schedule affected judgment on safety issues." But he said, it was a "matter of degree."

"If you've got a wide-open schedule and lots of money you can always back off when there is the slightest question," he said. "If you carry that to an extreme, you'll never fly. Schedule pressure is not incompatible with doing it safely."

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50 Senators Want To Delay Tax Law

United Press International
WASHINGTON — Half the members of the Senate told President Ronald Reagan on Tuesday that they wanted to delay tax reform, his top domestic priority, until there is a firm agreement between Congress and the White House on how to cut the U.S. budget deficit.

The 50 senators said in a letter to Mr. Reagan that the deficit was "the most pressing problem confronting our nation" and that meeting the goals of the balanced budget law should be the top priority.

The letter was signed by 37 Republicans and 13 Democrats.

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AMERICAN TOPICS

TV-Conscious Senate Takes a Look at Itself

For more than a decade, junior U.S. lawmakers have been demanding and often getting more power, but now the counter-revolution is on. If it succeeds, it will be easier for leaders to get the legislative schedule and harder for individual members to get their way.



Lawton Chiles

with delaying tactics. "Ultimately," says Senator Daniel J. Evans, a Washington Republican, "the majority in any body has to have the right to conduct its affairs."

But Senator John Heinz, a Pennsylvania Republican, says the filibuster is a guarantee against the "tyranny of the majority." Senator Jesse A. Helms, a North Carolina Republican, adds, "Most of the criticisms of the Senate, I consider to be virtues of the Senate."

Bob Dole of Kansas, the Senate majority leader, and Robert C. Byrd of West Virginia, the minority leader, have used the issue of whether to televise proceedings, as the House of Representatives does, as a way to propose rule changes.

The issue has helped in the effort to reform the reforms. As Senator Lawton Chiles, a Florida Democrat, remarked: "The Senate doesn't work very well. My gosh, if we let people see what's going on here, we've got to make it work better." The Senate last week voted to televise proceedings on an experimental basis, beginning in June.

Short Takes

In retail food, less is often more: Lean This, Low That and

Lite the Other. But Representative James Cooper of Tennessee has noted that a popular frozen "Light Flounder" contains more calories than the same company's standard flounder. Of two different brewers "lite" beers, one is 134 calories and the other 67 calories. The congressman, perhaps rendered lite-headed by it all, has introduced a bill requiring that no product be labeled "lite," "low" or "lean" unless it has a third fewer calories, half the fat or three quarters less sodium than the brand's standard version of the same item.

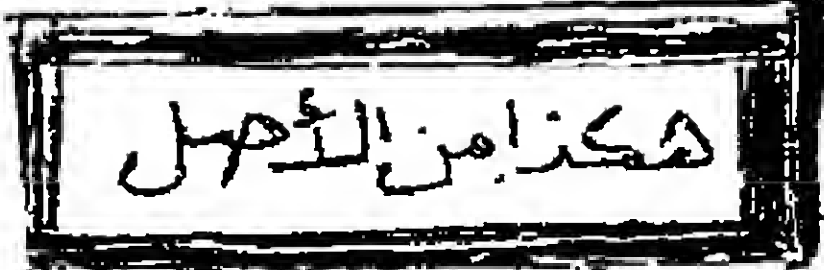
Boys' Life, the official magazine of the Boy Scouts of America, is 75 years old this month. What with computers and television, "boys don't read as much anymore," said Robert Hood, editor in chief of the magazine, which has a circulation of 1.5 million. Articles are accordingly shorter. But, he added, "what they like hasn't changed that much. Every time we ask in a survey what they want more of, it's always hunting and fishing, music and cars."

Few people are aware that the University of Rochester in New York state has one of the 10 largest endowments in the United States. Indeed, 41 percent of high school students in a survey wrongly believed it was a public institution. A consulting firm commented that "a university named after a city fails to invoke the prestige that should be associated with a distinguished private institution." A move is now on to change the name, possibly to Eastman University after the photography pioneer George Eastman, a major donor, for whom the university's Eastman School of Music is named.

The state of Virginia has ordered a "no read, no release" policy, which denies parole to any prison inmate who cannot read or write. It is the latest of a number of innovations that states have carried out in an effort to combat the illiteracy that helps drive some released convicts, unable to read help-wanted ads or fill out job applications, onto the relief rolls or back to crime.

The Journal of the American Medical Association, stepping up its attack on tobacco, has devoted its current issue to articles emphasizing the risks of smoking and chewing tobacco.

— Compiled by ARTHUR HIGBEE



INTERNATIONAL Herald Tribune

Marcos's Crates of Cash

Ferdinand E. Marcos and his entourage are safe in Hawaii, and his rule has ended in the Philippines. In the courts of the United States, however, the long process of sorting out the assets he brought with him has just begun.

County. Lawyers in California, Hawaii and Texas plan similar action. Meanwhile, in Honolulu, a plane-load of baggage that accompanied the Marcos party is being "detained" by U.S. Customs while an inventory is taken.

The Pentagon Shell Game

President Ronald Reagan seems unbothered by the non-certified fact that his proposed 1987 budget violates the balanced-budget law he signed only 11 weeks ago.

President denounced such slowdowns as wasteful. Is that any way to manage defense preparations? Of course not. Worse, these trickeries obscure a much deeper problem.

Helping the Rebels in Nicaragua Is Wrong

By Peter D. Bell

WASHINGTON — Ineluctably, and tragically, the Reagan administration is pushing Congress down the slippery slope leading to more direct U.S. military intervention in Nicaragua.

and concerned over alleged Sandinist support for other revolutionary movements. Yet even the most virulent opponents of the Sandinists are not much impressed by U.S. support for the Nicaraguan contras.

That Mr. Reagan will fight for more assistance to the contras. The countries of the region, and of Latin America in general, hardly seek such assurance.

offer the best hope for keeping the Sandinist revolution within Nicaraguan bounds. The alternative to support for the contras is not invasion or surrender, but negotiation.

Campaign By Reagan Is Perilous

By Anthony Lewis

BOSTON — One of the ugliest and most dangerous political operations seen in America in years is now under way in Washington.

America Must Send Aid to the 'Contras'

By Jim Courter

WASHINGTON — Nicaragua's neighbors are increasingly recognizing Sandinist strategy for what it is: a plan to spread revolution and destroy fragile openings toward democracy.

compromising pressure isn't necessary, and we should give the Contra process more time to work. But negotiations have been in motion for years without achieving the first amount of diplomatic protest.

Latin America, far larger than any Communist insurgency that has ever accompanied. With a commitment of new U.S. aid, the 20,000 contras now in the field would gain military strength and new recruits.

Other Opinion

Managua: Reagan's Flawed Plan

President Ronald Reagan worked hard to make his latest aid request for the rebels fighting Nicaragua's Sandinist regime sound plausible. But the bottom line is the same: Mr. Reagan thinks that he can force the Sandinists to "say uncle" through military pressure.

Gorbachev's Idea of Reform

Mikhail S. Gorbachev's call for a "radical reform" of the Soviet economy is evidence of his intelligence and vigor, not of any belief in liberalization. He is incomparably more sensitive than his predecessors to the Soviet Union's transformation into a much more complicated society with a far better educated work force than Stalin knew.

In 'Star Wars' Era, Moscow Looks to Asia for Enhanced Security

By Hiroko Yamane

PARIS — A Soviet proposal to create an Asian forum for security and peace, modeled on the Helsinki accords, is gathering momentum. Moscow praises the Final Act of 1975 because it made the Soviet Union more European and, although not a treaty, it legitimized the territorial status quo in Eastern Europe.

Cambodia by Vietnamese troops backed by the Soviet Union. Japan is also hostile to the Soviet idea because of its territorial claim on the Kuril Islands, occupied by the Soviet Union since the last war.

adequate. The Soviet Union needs to be able to draw on wider stability beyond its borders. Practically none of Moscow's Eastern Bloc allies is likely to offer the Soviet Union advanced civil technology.

by Mr. Shevardnadze and Shimura Abe, Japan's foreign minister, affirmed that peace and stability of the Asian and Pacific region will be assured by cooperation with the self-help efforts of countries in the region and "respect of their autonomy."

FROM OUR MARCH 5 PAGES, 75 AND 50 YEARS AGO

1911: France to Step Back in Time PARIS — [A Herald editorial says:] "Just a few reflections on the event set for March 10, when France will change her standard time to conform with that of Greenwich. There is a story by Oliver Wendell Holmes about a man who once distributed chronometers among all the people of the world with the request that everybody should, at a given moment, yell. His idea was that Mars would take notice. [But] all were so interested in listening for the big noise that the only persons who yelled were a boy in Geneva and a deaf woman in Salem, Massachusetts. Now there is not anything so fantastic as all that in the simple proceeding of some millions of persons pausing to set their clocks back. It is no doubt fortunate for many that the clocks are not to be set forward by 9 minutes and 21 seconds. Ten minutes taken away would ruin them. Will ten minutes added to their store of time re-establish them?"

1936: Stalin Discovers War Menace MOSCOW — [This interview, by Roy W. Howard, was the first given by Josef Stalin since that with H.G. Wells in July, 1924.] "Seemingly the entire world today is predicting another great war. If it proves inevitable, when do you think it will come?" Mr. Stalin was asked. "It may come very unexpectedly," he replied. "However, I feel that the position of the friends of peace is improving. They have the advantage that they are able to work in the open through such instruments as the League of Nations. ... "Should war come, where is it most likely to break out?" Mr. Stalin said: "At the moment, perhaps, the situation in the Far East is more menacing, but the center of danger may shift to Europe." "What situation furnishes the chief war menace today?" "Capitalism," he replied. "Capitalism ... is a system which regards war as a legitimate instrument for settling international disputes."

Cigar Smoking: A Matchstick Away From Greatness

By Thomas Simmons

PALO ALTO, California — Of all the permutations of tobacco, the cigar is surely the most detested and maligned. Why, then, would anyone consider taking up cigar smoking? The habit is so mysterious that any answer, or hint of an answer, will inevitably be partial and unsatisfying. But as I think about it, the only possible solution lies in considering the art of the cigar. Though it might not seem, at first glance, to have much in common with, say, a Matisse or a Hans Hofmann, a cigar is an artistic expression.

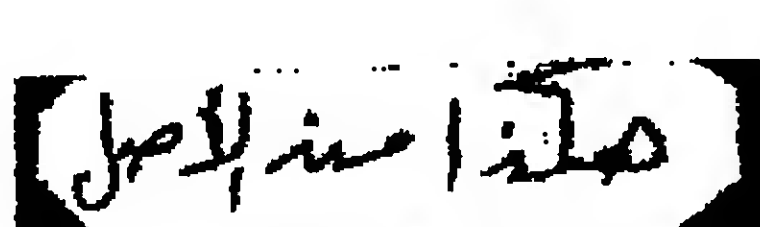
his smoke even though that same smoke drives anyone nearby to tears and fits of retching and leaving. What is the secret? How did he (or she) — some of the world's greatest cigar smokers (women) come to possess it? How can such a vile instrument of social disruption bring such profound peace to the perpetrator? Like all good mysteries, this one may arouse longing and even the envy the uninitiated feel toward the keepers of a strange, starting rite.

inference by big powers in their affairs. The Asian countries' quest for greater independence has manifested itself in several ways: the abortive plan of the Association of Southeast Asian Nations to create a zone of peace, freedom and neutrality, and ASEAN's more recent attempt to increase its ties with the European Community, the conflict between New Zealand and the American over nuclear-armed ships' port calls; and the declaration by South Pacific countries to create a nuclear-free zone.

William Pfaff's assertion that Thatcherism has failed (Feb. 13) could not be further from the reality. Prime Minister Margaret Thatcher of Britain has seen through an industrial revolution and a revolution of attitudes — freedom from state control, self-reliance and the acceptance that the customer pays our wages.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

The writer teaches English at the University of California at Berkeley. He contributed this column to The New York Times.



UN Panel Denounces Official Harassment of Families of the Missing

By Lisa Schlein

International Herald Tribune
GENEVA — A United Nations panel has recommended for the first time that the UN Human Rights Commission "condemn the practice of violating human rights of relatives of missing persons."

The commission will consider the report during its current annual session, which ends March 14. The five-member panel, called the UN Working Group on Enforced and Involuntary Disappearances, compiled the study from reports by rights monitoring organizations and from interviews with family members.

These sources reported murders, threats and harassment of people belonging to associations of relatives of "disappeared" persons, the panel said.

Reports of official harassment gained prominence last year, when the UN panel received information about officially sanctioned death threats against members of the Guatemala-based Mutual Support Group, an organization of relatives of missing persons, under the Guatemalan president at the time, General Oscar Mejia Victores.

In its 1985 report on Guatemala, Amnesty International said, "Those who have spoken out against such violations have often themselves become victims of 'disappearances' and extrajudicial executions."

Last year, humanitarian groups notified the UN panel that four members of the Mutual Support Group had been abducted and murdered.

Ivan Tosevski, a Yugoslav who is the chairman of the UN panel, said: "Our recommendation is a sort of warning system to government agencies. They should know that relatives have requested that we clarify the situations of disappeared persons. We believe our recommendation will act as a sort of protective mechanism for these relatives."

The report, which lists 16 countries as having more than 20 cases of unresolved disappearances, said that from 1980 to 1985 the group asked Guatemala for clarification of 2,136 reported disappearances.

In January, after the report was compiled, Guatemala installed a civilian president, Marco Vinicio Cerezo. Mr. Cerezo has vowed to crack down on rights abuses.

Mr. Tosevski said the UN group would continue to press the Guatemalan government for clarification of thousands of unsolved disappearances.

The group also has pressed the civilian government in Argentina to resolve 3,345 cases of disappearances. Most of these were reported to have occurred from 1973 to 1980, when the country was ruled by the military.

In Nicaragua, the group said, most of the 140 unresolved cases were reported before the Sandinist government came to power in 1979. In 1985, the group received 4,500 reports of involuntary disappearances throughout the world. The governments of the countries listed were notified of 2,300 of these, because, the group said, it believed there was enough information in those cases to trace the missing people.

The group also toured Peru last year at the invitation of the government, and collected information directly from families of missing persons. This led the group to notify the government of 497 cases of disappearances in 1985. A total of 831 cases remain open in Peru, the group said.

Other countries where reports of disappearances have increased include El Salvador, where 2,005 unresolved cases were reported in 1985, up from 1,709 in 1984, and Colombia, where 173 unresolved cases were reported in 1985, up from 21 in 1984.

The Philippines was notified of 213 new cases in 1985, for a total of 370 outstanding cases.

Both Iraq and Sri Lanka were listed for the first time among countries where more than 20 involuntary disappearances had been reported. Reports of disappearances in Iraq rose from one in 1984 to 101 last year, and in Sri Lanka from three in 1984 to 194 last year.

Although Cyprus was listed in the report as having had about 2,400 reported disappearances, this was complicated by conflicting claims by Greek Cypriot and Turkish Cypriot authorities.

The Greek Cypriot government blames Turkey for the disappearances of 1,600 people in connection with its occupation of part of the country after the fall of Archbishop Makarios in 1975. The Turkish Cypriot authorities accuse the Makarios government of having abducted about 800 people.

Other countries listed where more than 20 missing persons had been reported are Brazil, Honduras, Indonesia, Iran, Lebanon and Uruguay.

The UN group acknowledged that its report of disappearances was neither complete nor geographically balanced.



A New Delhi policeman arresting a protester during a clash between Moslems and Hindus.

Hindu-Moslem Friction Worsens

India's Largest Minority Shows Increasing Disaffection

By Steven R. Weisman

New York Times Service

NEW DELHI — For 37 years, the doors at a crumbling religious shrine in the Ganges River plain were padlocked because of a dispute between Hindus and Moslems. Now a judge's recent decision to reopen the building as a Hindu temple has sparked violent Moslem protests.

A half-dozen people have been killed in clashes across India, particularly in the Moslem-dominated northern area of Jammu and Kashmir. Army and paramilitary police are enforcing curfews in many cities.

The disturbances reflect increasing disaffection among Moslems and a trend toward religious hostility that frightens many politicians and religious leaders.

"More and more, we are being treated like second-class citizens," said Syed Abdullah Bukhari, the imam, or prayer leader, of Jama Masjid in Old Delhi, India's largest mosque. "Our rights are no longer being safeguarded."

Conflict between Hindus and Moslems has been a feature of Indian history since the first Moslem conquests centuries ago.

In 1947, the year India became independent and Britain partitioned its empire to create Moslem-dominated Pakistan, hundreds of thousands of people were slaughtered and millions were uprooted.

Last year, in the western state of Gujarat, hundreds of people were killed in sectarian strife.

By all accounts, the last few years have brought a new mood of anxiety and anguish to the nation's 75 million Moslems, who make up only 11 percent of India's population of more than 750 million but are nonetheless one of the world's largest Moslem communities.

In addition to the controversy over the reopening of the Ram Janmabhoomi temple, which Hindus

revere as the birthplace of the god Rama and which Moslems know as a mosque opened by Baber, the first Mogul emperor, Moslems have been antagonized by an Indian Supreme Court decision.

The court ordered a well-to-do Moslem lawyer to pay \$40 a month to the woman he had divorced after 43 years of marriage.

Angry Moslem demonstrators accused the court of interfering in their religious practices, citing a constitutional guarantee that divorce and divorce settlements would remain matters of Moslem personal law outside the jurisdiction of civil courts.

The case has sharply divided the ruling Congress (I) Party of Prime Minister Rajiv Gandhi.

After agonizing over the divorce case, Mr. Gandhi came down on the Moslem side and pushed a bill through Parliament to reverse the court decision.

"What we need is national cohesion at this time," he said as Hindu lawmakers jockeyed. "We have to see that such issues are not used for political ends." It was probably a futile wish.

Mr. Gandhi is concerned by defections from the longstanding Moslem support of his party. Moslem voters contributed to a big Congress (I) defeat in December in the northeastern state of Assam, where Hindus have protested against illegal Moslem immigrants from Bangladesh.

Mr. Gandhi had agreed to disenfranchise or even expel millions of these immigrants.

Many analysts say Moslems are reacting to growing nationalism among Hindus. Tolerance has long been a central tenet of the Hindu religion, but the emergence of India as a secular state seems to have sown the seeds of Hindu revivalism.

Hindu revivalist sentiment is a leitmotif in many Indian crises. Many Hindu leaders see Sikh insistence on governing the state of Punjab, for example, as a threat to their religion, or at least to their dominance of secular India.

And one reason India has tried lately to ease tensions with Pakistan, many analysts suggest, may be concern about further antagonizing Indian Moslems.

Groups that promote Hindu history, culture and religion are proliferating throughout India. Experts see this as a healthy trend but with a worrisome potential.

"To me, Hindu-Moslem antagonism is much more frightening than antagonism between Hindus and Sikhs," a Bombay businessman said. "In fact, it's what makes me worry most about the future of India."

After Mayor's Slaying, Few Want West Bank Posts

By William Claiborne

Washington Post Service

JERUSALEM — Efforts by Israel to enhance self-rule among Palestinians in the occupied West Bank by appointing moderate Arab mayors appeared threatened Tuesday as more nominees withdrew following the assassination of the mayor of Nablus.

Samir Tariq, 38, a lawyer from the nearby suburb of El-Bireh, notified the Israeli occupation government that he was withdrawing his name as a candidate.

He made his decision after Mayor Zafir al-Masri, a symbol of Israeli attempts at increased Palestinian self-rule in the West Bank, was shot to death by an unidentified gunman in front of his office Sunday.

In the West Bank city of Hebron, Mohammed Rashid Jabari, head of the city's education department, unexpectedly announced that press reports stating that he had intended to apply for a mayoral appointment were "incorrect."

Fathi Fahrawi, a leading businessman in the West Bank City of Jenin who had been attempting to organize a municipal council acceptable to Israeli authorities, said

he was abandoning the project for the time being because of the danger of assassination.

Nadim Zaro, a former minister in the Jordanian government who had been expected to apply for the mayoral appointment in Ramallah, published an advertisement in an East Jerusalem Arabic newspaper denying that he had sought public office.

He left afterward for Jordan.

Walid Hamed, a civil engineer who had asked for an appointment as mayor of El-Bireh, withdrew his candidacy, saying he wanted time to rethink his political future.

Reports of Mr. Naro's and Mr. Hamed's withdrawal had already circulated Monday. Palestinian sources said that other prospective political appointees were expressing doubts about accepting public office in the aftermath of the assassination of Mr. Masri.

Two Syrian-backed radical splinter groups of the Palestine Liberation Organization have announced that they were responsible for Mr. Masri's death.

They linked the assassination to Israeli attempts to unilaterally impose a measure of self-rule in the occupied territories by appointing new mayors.

Prime Minister Shimon Peres had said that he planned to go ahead with plans to nominate Palestinian mayors to cities and towns throughout the West Bank as an initial phase of carrying out a measure of self-rule to the occupied territories.

Virtually all the Arab mayors of the West Bank were deposed in 1982 after four years of political turmoil and strident Palestinian nationalism in the territory.

West Bank Palestinian activists said Tuesday that Mr. Masri's death had effectively stalled such efforts.

Hanna Siniora, editor of Al-Fajr, an East Jerusalem Arabic newspaper that backs the PLO, said the assassination had weakened King Hussein of Jordan and had strengthened potential candidates in the West Bank who support



Zafir al-Masri

U.S. Farmers Reject Anti-Semitic Pitch

New York Times Service

KANSAS CITY, Missouri — Efforts by extremist groups to exploit farm problems with anti-Semitic propaganda, a trend widely noticed in recent months, have been generally rejected in the rural Middle West, according to a poll by Louis Harris & Associates.

About one in four of the 606 respondents in rural Iowa and Nebraska questioned by telephone Jan. 23 and 24 in the survey revealed anti-Semitic sentiments. But that was lower than levels that have been found in earlier surveys of the general public.

And there were far more rural people who tended to blame farmers themselves for their economic problems than there were who blamed "international Jewish bankers," a stereotype pilloried in the literature of hate groups.

The survey showed rural Midwesterners finding several sources to blame for widespread hardships among farmers, including Congress, at 85 percent; "local bankers and loan agencies," 84 percent; the Reagan administration, 75 percent; "big international bankers," 75 percent; and farmers themselves, 61 percent.

But only 13 percent put "a good deal of" the blame on "certain religious groups, such as Jews."

In one series of questions to test latent attitudes, 75 percent of respondents put "a great deal" of the blame for farm problems on "big international bankers."

When a key modifier was added, 27 percent agreed with a statement that farmers had been exploited by "international Jewish bankers."

Nathan Perlmutter, national director of the Anti-Defamation League of B'nai B'rith, which commissioned the survey, said that even "a little bit of bigotry is far too much" but that his organization was "reassured by the Harris Poll's statistical evidence that anti-Semitism is not on the rise in rural America."

He said that for years, about one-third of those polled had expressed anti-Semitic sentiments.

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Almeta Speaks: Blues Singer, TV Producer, Budding Novelist



Speaks: Music, willpower and a knack for getting grants.

By Michael Zwercin International Herald Tribune

PARIS — Almeta Speaks once described herself as a "blues singer who produces television." She also plays the piano, writes articles and books, gives lectures, has earned two university degrees and has won two Emmy awards. The program director of the public television station in San Diego, where she got her first broadcasting job, described her as "an extraordinary and delightfully warm and intelligent human being."

Her native Reidsville, North Carolina, was too small for her by the time she was 14. She longed to move between New York, London and Paris like Bricktop, Josephine Baker, Bobby Short and other black entertainers she read about in Ebony magazine. When she was 21 she moved to New York and she has been on the move ever since.

In New York she immediately recognized that there had to be a better way to make a living than hustling, which is what she had been taught to do. She had also sung in church choirs with her sisters, and from this gospel background she moved easily into the blues. Accompanying herself on piano, she found work as a solo performer.

After two years in New York she moved in 1964 to Toronto's Castle George, a lounge catering to hockey players. During seven years in Toronto, she expanded her repertoire to include standards like "Lit-

tle the Girl Blue." In 1971 she moved to Vancouver to work the Princess Louise, a steakhouse. But playing pop music in bars and grills was becoming too much like hairdressing. With official resident status in Canada, she grew interested in the Canadian black experience, reading what she could find, which wasn't much. "Black history was pretty much left out of the schoolbooks. It was the 'Invisible Man' syndrome. But Canadians were beginning to realize the richness of being a multicultural society with their growing black, brown and yellow communities."

At first, she "just dabbled, grabbed material here and there, read a lot of library stuff." The dabble has grown into a novel in progress, funded in part by a Canadian government subsidy, about being a black woman in Canada. It is called "Fullness of Time," which could in fact be the title of her autobiography.

Few women, and certainly few black women, have lived with so much adventure, mobility and variety. This has been made possible in part by music and by her mastery of North American subsidy and grant systems, but most of all by willpower.

In the early 1970s she decided to "experience California" and sang her way from Vancouver to San Francisco to San Diego, where she decided to "experience education." Suddenly she turns coy when asked

her age: "Just just say I started college as an adult."

Taking advantage of special funds then available for minorities, she received a scholarship. She stopped playing music at night. Four months before the classes started, "I started to practice getting up early. The alarm went off at 7:30 and I made myself get out of bed. I went to college with a vengeance. Once I discovered there was someone called an academic adviser, believe me she earned her keep with me. At one point she said, 'You can't take 28 units. It will kill you.' I said, 'Oh yes I can.' I started the University of California at San Diego in January 1975 and graduated in June '78 with degrees in sociology and communications, and a minor in music."

Without any broadcasting experience or official introduction, she walked into the public television station in San Diego and said: "You don't have any program aimed at the black community and you should. You really need somebody. I wrote a prospectus and filled out grant applications, which were approved. In 1976 she won an Emmy award for a musical special, "Celebrate Life." A weekly show on black culture called "Almeta Speaks With —" won an Emmy in 1978 in the category of "producer of historical/cultural series."

Since graduation she has given lectures on topics such as "Ethnic Communities and the Media," produced and presented TV specials

including "Duke Ellington, a Tribute," written papers such as one on "The Blacks Who Settled Salt Spring Island" near Vancouver, and resumed her musical career.

From January 1985 through the end of last month she was in Europe doing final research for her book at the British Library and the Bibliothèque Nationale. She has been financing this work with the blues: She has worked the Montparnasse Petit Journal in Paris (and

will return there in late May) and Oslo's Jazz Bar — jobs that she got either through contacts or by walking into a club and playing a tune or two. The Canadian government cultural departments have been helpful. A Canadian friend introduced her to someone in Sweden who introduced her to a Finnish agent who got her a job performing for 22 days on the Stockholm/Helsinki ferry.

She has begun research on another novel, "about the second black pope. The first one was Pope Victor, who gave us Easter Sunday. The blues are one way of chronicling the history of the black community. Television is another. Writing books is still another. So, you see, I'm really only doing the same thing all the time."

Almeta Speaks is performing in Sydney through March 8 as part of Canada Week and touring New Zealand March 10-17.

Sign of the Times: 'Baby on Board!'

By Steve Harvey Los Angeles Times Service

LOS ANGELES — Not since the religious bumper sticker "I FOUND IT!" inspired numerous responses ("I AM IT!" "I ATE IT!") has there been such a lively automobile debate. The object this time is a yellow, diamond-shaped sign, "BABY ON BOARD!" in the back windows of cars.

The signs, which sell for about \$2.50, are the brainchild of a Massachusetts company called Safety First. Since they began to appear late last year, they have drawn criticism from the Los Angeles Area Child Passenger Safety Association and from some law enforcement authorities.

The parodies they have inspired include "BABY DRIVING!" "BEAGLE ON BOARD!" and "NOBODY ON BOARD!"

"I get a little tired of seeing all those 'BABY ON BOARD!' signs in Volvos and other Yuppie-type cars," said Paul Zwart, a writer. "What am I supposed to do, bow to Allah because someone else has a kid? Zwart displays a 'BABY CARRIES NO CASH!' sign in his car.

Some defend the signs as warnings that a harried parent is behind the wheel. "We get a lot of calls from people wondering how they can get one," said Stephanie Tombrillo, director of the Child Passenger Safety Association. "And we get a lot of calls from people who are just livid over them."

The association, which helped

bring about a California law requiring child safety seats, wrote to Safety First to complain about the instructions for using the signs. There was no mention of laws regarding their placement on automobile windows; in California, such signs are legal only in the lower-right portion of the back window.

"I've seen the signs stuck in the middle of the back window, where they might prevent you from seeing a kid walking behind the car," Tombrillo said. "You have to protect everyone's kid, not just your own." In addition, she said, the instructions makes no mention of

the importance of safety seats for small children.

The signs come with suction cups and should be removed when no child is present, said Michael Lerner, owner of Safety First. But, as he admitted, "some people who are just making a quick run down the street leave them on," and police said such casual use of the signs could cause problems.

"If a vehicle were engulfed in flames I'd hate to have a firefighter or police officer going into the car because he sees the sign and believes a child is trapped inside," said a traffic bureau official.

DOONESBURY



Cadaverous Peter O'Toole in a Worm-Eaten 'Apple Cart'

By Sheridan Morley International Herald Tribune

LONDON — Always one of the most amiably aimless of Shaw's conversation pieces, "The Apple Cart" (Theatre Royal Haymarket) needs either a mesmeric star performance or a coherent production thesis.

Last time it was seen at this theater it had both: In 1953, as a wonderfully cynical coronation

THE LONDON STAGE

year gesture, the Tennent management gave its audiences a timely chance to consider Shaw's arguments for and against the divine rights of kings — and, presumably, queens — while in casting Noel Coward as Magnus they gave the actor-playwright a chance to achieve one of the major performances of his career that was not in his own work.

The current production might look just about all right at the Theatre Royal Brighton on a bad Monday night, and Peter O'Toole resembles rather less the Shavian king than the late Duke of Windsor after several months underwater and a facelift. Around him, the director, Val May, has assembled just about every living British character actor who ever played the detective in a B movie of the early 1950s not only Michael Denison and

Marius Goring, but Geoffrey Keen, Brewster Mason, Paul Rogers and David Waller. For the postmistress we get a revue sketch from Dora Bryan, and as the powermistress Moira Lister does her celebrated impression of minor royalty opening a rain-drenched fête.

As a result, the cabinet scenes that open and close the play look more like an emergency meeting of the actors' union, Equity, called to withdraw membership cards from several members of the Redgrave family. There they sit, neatly lined up on chairs all facing front as if for a team photograph, watching in varying degrees of uneasiness and intolerance while O'Toole says his many lines very slowly and very clearly as if reading them off a prompting machine at the front of the dress circle.

Some of the other cast members do make occasional lackluster bids for individual attention. Denison does a half-hearted impression of Ramsay MacDonald or possibly Harry Lander while Rogers and Mason manage to convey the impression that they are only on short-term loan to the Haymarket from better work with the Royal Shakespeare Company.

None of this has a lot to do with Shaw or "The Apple Cart." The whole ghastly endeavor looks as though a lot of stars have been gathered together for a charity

cricket match at which somebody has forgotten to produce bats or balls. The pity of it is that this could be a wryly funny look at the monarchy ("Our country has produced millions of blameless green-grocers but not one blameless king").

Only when we get far-too-brief glimpses of the king's two non-cabinet wives (Dinah Sheridan as his wife and Susannah York as his mistress) is there any feeling that the play might be about to come to life, but even then O'Toole's craggy, cadaverous performance suggests not so much a monarch at the height of his linguistic and sexual and political powers as an actor desperately determined to get to the end of yet another marathon speech before he runs out of breath.

At the National, Michael Rudman's thoughtful and wonderfully faithful production of Neil Simon's semi-autobiographical "Brighton Beach Memoirs" (on the Lyttelton stage) achieves some kind of transatlantic breakthrough by improving upon the Broadway original. (Admittedly, I saw that a few months into the run, by which time one or two of the performances were veering dangerously close to the kind of instant jokiness that is precisely what this play is not about.)

Anyone who still thinks of Simon as essentially a Manhattan gag merchant should hastily be disabused of that notion here. Though several of his greatest hits, from

"Barefoot in the Park" through "The Odd Couple" to the "Plaza" and "California Suite" anthologies do derive from Kaufman and Hart, "Brighton Beach Memoirs" is a much darker and more intriguing family album that comes out of O'Neill and Odets and, perhaps above all, Miller's "Death of a Salesman."

Here too we have a father facing unemployment in the late 1930s. Here too we have a mother holding a family together because that is the only way she can hold herself together. Simon inclines to comedy where Miller inclined his family to tragedy, but in his memory of himself at 15, Simon has come up with a touching and marvelous narrator, a coherent American Adrian Mole whose diary is a mixture of random guilt and delighted sexual awakening.

Whether lusting after his cousin, worrying that the forthcoming war in Europe will be blamed on him, or ritually tending off his mother's increasingly bizarre complaints ("Stop that yelling, I have a cake in the oven"), Steven Mackintosh as the young Simon is a consistent delight. But where on Broadway the play seemed only to be about him, Rudman has sensibly brought the rest of the family into sharper focus, so that Frances de la Tour as the weary mother and Harry Towb as the defeated father achieve a positively Chekhovian quality of relative values.

Many of Simon's earlier plays have been about himself or his brother at other times of their lives,

but here for the first time he has found a way of writing the truth as well as the gag. This is Part One of a trilogy: "Bluxi Blues" (now on Broadway) and "Broadway Bound" (as yet unproduced) complete the story of Simon's early years. If Sir Peter Hall has the sense I think he has, he will commit Rudman and the National to them now.

At the Duchess, Rob Larbey's "A Month of Sundays" is a fragile observation of life in an old people's home where the patients wish not to be old. Though vastly too young for the role, George Cole achieves a remarkably touching account of a man going noisily toward senility, while as the other half of an odd-couple partnership Geoffrey Bayldon is no less impressive. At about half an hour on television, this would have been masterly but stretched across two hours in the theater it is inclined (like its heroes) to waste away.

Chinese Tombs Discovered

BEIJING — Almost 300 tombs, believed to date from the western Zhou Dynasty (1100-770 B.C.) and the Warring States Period (475-221 B.C.), have been excavated in the Guangxi Zhuang Autonomous Region, the Xinhua news agency said Monday.

Carol's Gone but the Drinks Linger On

The Associated Press

DAYTON, Ohio — Carol Clime promised her friends in her will that, wherever she might be after she was gone, "I shall be drinking a toast with them each New Year's Eve." They have promised to toast her back, especially

since she's still buying the drinks. Clime, who died in 1985 at age 69, left \$5,000 to a group of friends for "their annual New Year's Eve Party and/or Memorial Day, and/or Fourth of July and/or Labor Day picnics and/or any other social occasion they decide upon jointly."

Dining Out section listing various restaurants like Vegetarian Restaurant, Shogun, La Gaudriole, Carr's, Le Grand Chinois, Le de Kashmir, Kervansaray, Le Procope, La Méditerranée, L'Orée des Champs Elysees, La Rotonde, and Auberge du Clou.

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INSIGHTS

From a Pinnacle of Grandeur, Mitterrand Attempts to Rally Support

By Richard Bernstein
New York Times Service

PARIS — François Mitterrand stood the other evening at the end of a red carpet stretching a quarter-mile through a vast exhibition hall in Lille, the depressed industrial city in the spiritual heartland of French socialism. Spotlights glared through the smoky air of the hall, illuminating filigrees of electrical wiring and webs of metallic scaffolding. An agitated whispering swept over the audience of 20,000 and then died away like a wind disappearing, to be replaced by a loudspeaker version of the Marseillaise, France's national anthem.

The rightist opposition — characterized by the president and his allies as a rich, reactionary and privileged caste — seems destined to break the Socialist Party's absolute majority in the National Assembly, seriously hampering Mr. Mitterrand's ability to wield the enormous constitutional power of the French presidency in the last two years of his term. A conservative victory would also cast doubt on the dream of the French Socialist Party, established more or less in its current form in 1905, to survive in any recognizable form.



Elusive and complex, Mr. Mitterrand surrounds himself not with the symbols of the left, but with the traditional aloofness of the French presidency.

master of a kind of 18th-century metecote, but of a music of history to which the French are very sensitive. Secondly, he has a deep sense of history. He has an ability to utter the grand themes of France as nobody else in this country can. And, finally, he identifies himself with the rural roots of France, his love for the soil, for the forest, for nature. These are chords that he never fails to strike.

'Not Renewed': U.S. Liability Insurance Shrinks — So Goods and Services Vanish

By T.R. Reid
Washington Post Service

WASHINGTON — You cannot use a sled in Denver city parks. You cannot have a baby delivered in Monroe County, Alabama.

This year's equivalent of the frustrated motorist waiting hours in line to buy a few gallons of gas is the frustrated doctor, business owner or government official shopping for weeks to find a few more months of liability coverage. This year's equivalent of the "Out of Gas" sign taped to the pump is a curt message stamped across last year's insurance policy: "Not Renewed."

NO DELIVERY

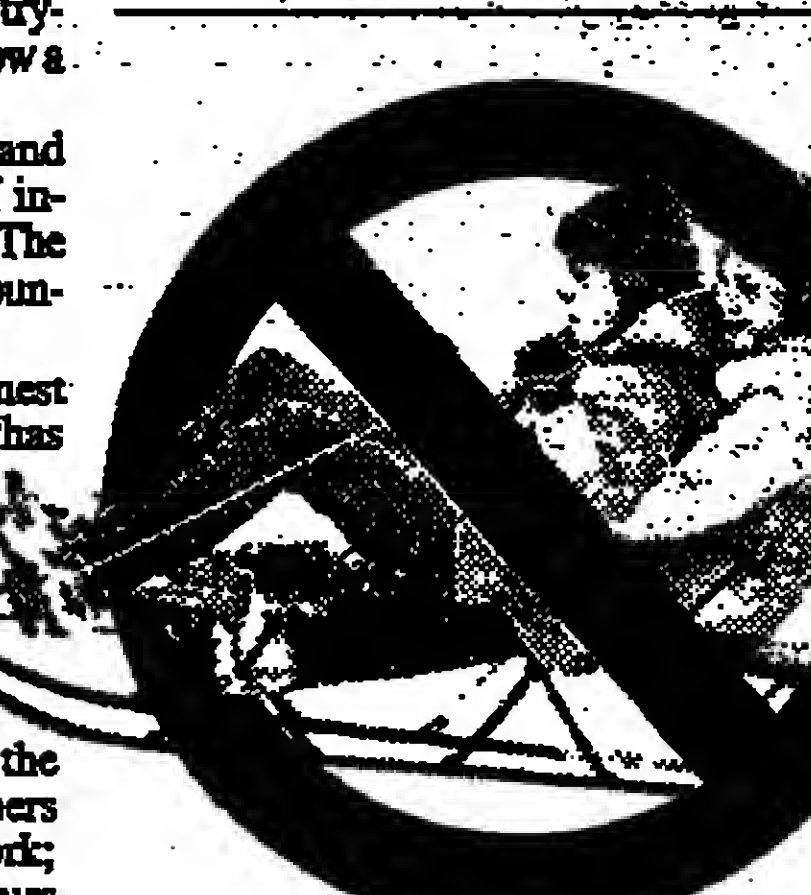


From central cities to rural counties, obstetricians no longer deliver babies because of the cost of insurance coverage for childbirth.

When it can be purchased at all, liability coverage for local governments is so expensive that some taxpayers will likely pay more this year for their town's insurance premiums than for basic services such as police and fire protection.

take all the grizzlies out of Yellowstone and Glacier and ship them to Alaska," said Terry Anderson, an economist and naturalist at Montana State University. "They've spent years trying to save the grizzly in Yellowstone, and now a lawsuit could undo the whole program."

NO SLEDDING



In Denver, the city council banned sleds and toboggans from city parks because the city cannot obtain liability insurance.

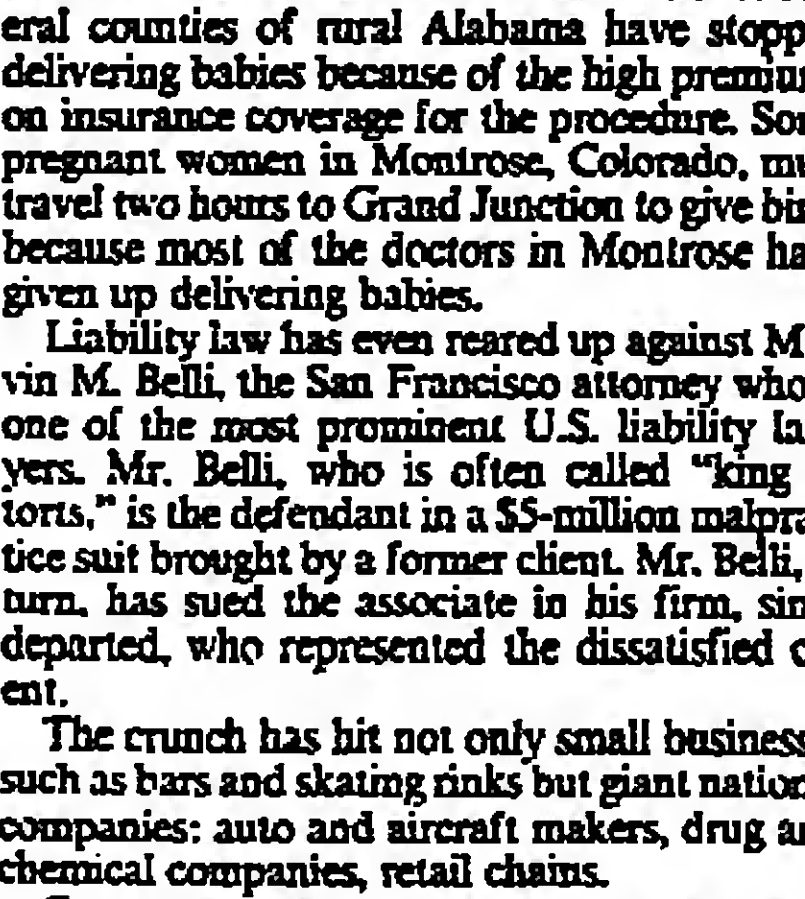
NO FIREWORKS



Fireworks may be canceled at Fourth of July celebrations because the cost of liability insurance may become prohibitive.

WHEN insurance can be bought, it is often at hugely increased prices. The Southern California Rapid Transit District had no increase in accidents last year, but its insurance premium went from \$67,000 to \$3.2 million — a 4,700-percent jump in one year.

NO HIKING



At Yellowstone, rangers have closed off nearly a quarter of the park, including hiking trails, to separate people and grizzly bears.

dozen states and hundreds of city governments have lost all or part of their liability insurance coverage in the past six months; the result has been temporary or permanent elimination of municipal services.

The evolution of the law, said Senator Ernest F. Hollings, Democrat of South Carolina, "has brought safety to the living standards of America and created the highest safety standards in the world."

The results of risk-management initiatives can be dramatic. After Charlotte-Mecklenburg County, North Carolina, set up a risk-management agency and strong safety rules, injuries dropped markedly. The county's workman's compensation bill, which pays for injuries incurred on the job, fell 52 percent in four years.

The shortage of malpractice insurance this year has hit not only doctors and lawyers but also architects, accountants, authors, engineers,

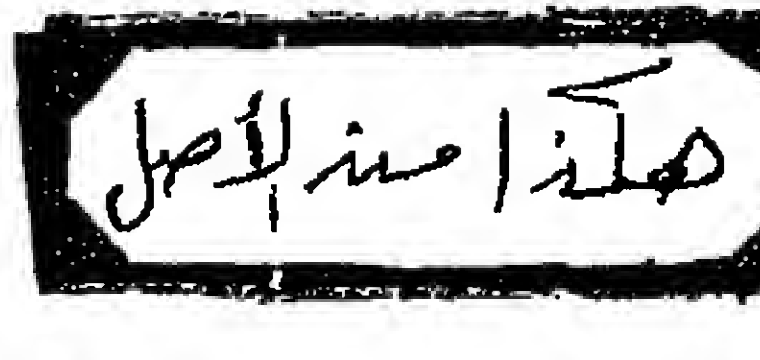
ministers. In New Jersey, even insurance agents are receiving nonrenewal notices on their professional coverage for "errors and omissions."

As a result, some professional services that were once taken for granted are becoming scarce. Doctors from central Manhattan to several counties of rural Alabama have stopped delivering babies because of the high premiums on insurance coverage for the procedure.

Once unusual, this form of third-party liability now applies in nearly every state; in many jurisdictions judges have imposed the liability even where a dram shop act has not been passed.

INITIALLY limited to bartenders, the scope of the liability was gradually increased to cover liquor stores, hotels that provide drinks through room services, businesses that host after-work social functions and individuals who let guests drive away drunk from a party.

Nearly every observer of the liability crisis agrees that the United States has a long way to go in improving risk-management practices. But no society can be made risk-free. Accordingly, insurance remains a vital commodity, and it is a commodity in acutely short supply. The shortfall will be felt in numerous aspects of daily life.



Statistics Index

Table listing various market statistics such as AMEX prices, Earnings reports, and Bond yields.

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INTERNATIONAL MANAGER

Do's and Don'ts of Making Friends With Headhunters

By SHERRY BUCHANAN

International Herald Tribune

PARIS — When a headhunter calls, head for cover or tell him to hang on while you shut the door to your office.

"Eight times out of 10 that is the reaction," says Marc Lamy, a vice president with the international search firm, Korn Ferry International, in Paris. It makes life tougher for executives in open-plan offices.

According to the head-hunter, there are three vital pieces of information that even a veteran head-hunter can't get out of a headhunter over the phone: who recommended you, who the headhunter is, and which company is offering the position.

Headhunters are wary to reveal their sources, and they say that one-third of the searches they handle are confidential.

The veteran head-hunter suggests that one solution is to have as friends some head-hunters with an inside track.

"Some of my best friends are headhunters. At one time I would hear from six headhunters every other week," said a New York-based executive who got his current job through a friend who referred him to a headhunter.

"Out of all of those, I keep in contact with four of them. It is useful. It lets you know what's out there and gives you a sense of your own worth."

But making friends with headhunters is not always easy. "I was disappointed that my headhunter had made such a fuss over me for weeks never called me up after I got the job," said another U.S. executive.

Sometimes a boss or a colleague eager to get your job might ask a headhunter to take on the job of getting rid of you.

"People always ask 'Who gave you my name?' What they have in mind is that their boss gave their name to get rid of them," Mr. Lamy said. "An executive who was involved in a corporate fight once told me I would do him a great favor if I approached his rival. I turned him down."

"If an executive says to a headhunter, 'Recruit this guy away,' it can be done, but it is bordering on intrigue," said Brooks Chamberlin of Korn Ferry International in New York. "Most recruiters would prefer to stay away from that. The better tack is for senior executives to get to know a recruiter in their industry."

ONE WAY to determine the discretion of a headhunter is to find out whether he works on retainer or on a contingency basis. Headhunters who work on retainer are paid whether or not the position is filled.

Headhunters who work on a contingency basis are paid only if they fill the job. According to headhunters on retainer, those who work on a contingency basis may try to fill several jobs at once and they may pass your name around.

Some head-hunter worry that someone in the office will find out that they're being sought, but a headhunter's or a secretary's discretion can sometimes be used to the hunter's advantage.

"Some people have called me to thank me for the promotion they got once the word leaked out they were being head-hunted," Mr. Lamy said.

If you are interested in changing jobs, Peter H. Skala of Boyden International in London, a veteran of the business, has some tips on what to do when the headhunter calls:

- Be factual. (Translation: Don't lie.)
• Be enthusiastic and committed about your current job. (Translation: Don't bad-mouth your current employer.)
• Don't discuss money during the initial contact. (It only shows how greedy you will be later.)
• Don't try to play hard to get. (But don't be overly eager, either.)
• Be relevant. (Don't talk about your last vacation.)
• Be discreet. (Don't give away company secrets.)
• But be helpful. (Tell what you can about the company without undermining your employer.) A good headhunter will be grateful for whatever information about your company you can provide.

Currency Rates

Table showing currency rates for various countries including the UK, France, Germany, and others.

Interest Rates

Table showing interest rates for Eurocurrency deposits and other financial instruments.

Key Money Rates

Table showing key money rates for various currencies and financial products.

Asian Dollar Deposits

Table showing Asian dollar deposits for different terms and currencies.

U.S. Money Market Funds

Table showing U.S. money market funds and their performance.

Gold

Table showing gold prices and market activity.

Unilever Reports 50% Gain

European Profits Led 4th Quarter

Compiled by Our Staff From Dispatches

LONDON — Unilever group reported Tuesday that fourth-quarter pretax profit for 1985 rose 50 percent to £322 million (\$463.7 million), from £214 million in 1984.

Unilever, the British-Dutch foods and household goods company, reported that revenue for the quarter rose 7.5 percent to £4.59 billion, from £4.27 billion in 1984. Per-share earnings rose to 45.27 pence, from 35.3 pence.

For the year, pretax profit rose 3 percent to £954 million, or 138.73 pence, from £925 million, or 134.33 pence, a year earlier. Revenue rose 3.6 percent, to £16.75 billion, from £16.17 billion in 1984.

Unilever said that in the fourth quarter of 1985, European operating profit more than doubled. In Europe, edible fats performed well, while food, drinks and specialty chemicals also improved substantially.

North American operating profit rose 34 percent in the fourth quarter, and a U.S. subsidiary, Thomas J. Lipton Inc., finished the year strongly. Operating profit elsewhere increased 15 percent. Newly acquired interests, including tea plantations, contributed to the improvement.

"In Europe, our program for strengthening our competitive position is bearing fruit," Unilever said. "In the United States, our planned investment, especially in detergents — though it has reduced results in the year — met with considerable success. Elsewhere we made good progress."

Commenting on 1985 as a whole, Unilever said significant progress was made in Europe where operating profit rose 28 percent. All product groups contributed to the increase, the company said. The recently acquired Brooke Bond Group PLC made a good contribution, Unilever added.

For the year, North American operations continued to increase in volume against competition, the company said. But heavy investment in new products and in defending established brands caused operating profits there to drop 30 percent from the previous year.

Much of the investment spending was devoted to Lever Bros. Co., a U.S. subsidiary. Detergent volumes rose 15 percent, resulting in significant market-share gains, the company said.

Unilever PLC's chairman, Sir Kenneth Durham, who will retire in May, said at a news conference that the group had made good progress toward strengthening key areas of its business. He said Unilever would be interested in further acquisitions.

(Reuters, AP)

U.S. Firms Obsessed With Earnings

Long Term Is Forgotten In Quarterly Scramble

By Steven Greenhouse

New York Times Service

CHICAGO — To meet quarterly revenue targets, Daisy Systems Corp., a Silicon Valley computer maker, often rushed to ship as many computers as possible at the end of each quarter.

Sometimes that meant shipping new products that had not been perfected. Other times it meant forgetting to include floppy disks or other vital parts.

Last year Cross & Trecker Corp., a machine tool company based in Bloomfield Hills, Michigan, recognized that delays in orders might push down its profits in the quarter ending Dec. 31. It took part of its well-funded reserve for bad credit and added it to earnings. Presto, the quarter's income was up from a year earlier.

Convinced that it cannot earn a decent return soon enough, U.S. Steel Corp. has decided not to invest in new furnaces for its plant in Geneva, Utah. Instead, it will import semifinished slabs from South Korea to feed its West Coast finishing mills.

Instead of spending its investment dollars on plant and equipment, it is using them to acquire companies, like Texas Oil & Gas.

Concern is mounting throughout the country over corporate America's preoccupation with quarter-to-quarter profit increases. U.S. industrial giants, many say, are too worried about pleasing Wall Street over the next quarter, and not worried enough about competing with Japanese, German and Korean companies over the next decade.

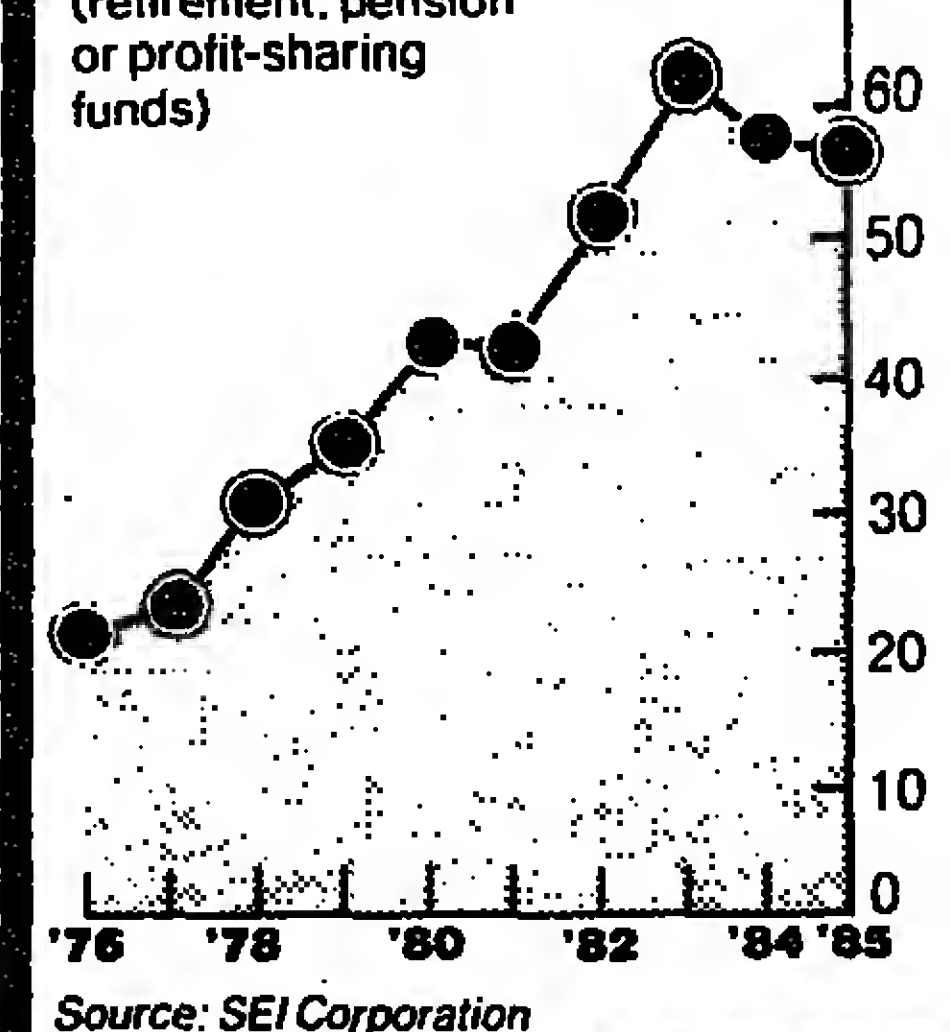
Companies in those countries, far more so than those in the United States, are willing to forgo short-term profits in order to build market share or increase productivity.

American management's concern with the short term can take the form of "creative accounting," which misleads shareholders into believing that profits are better than they are. Or worse, it can mean that research and plant modernization projects will not get done because they will drain cash for a couple of years, even though the projects might be vital to the company's long-term interests and the country's long-term growth.

"Everything is pegged nowadays to immediate earnings," said Andrew C. Sigler, chairman of Champion International, a forest products company. "It costs us a billion dollars and takes three

Behind the Pressure: Rising Portfolio Turnover By Institutions

Percentage of equity holdings that are sold each year. Based on portfolios of 7,500 tax-exempt funds (retirement, pension or profit-sharing funds)



Source: SEI Corporation

years to build a paper machine. I'm always criticized that I should use that money to buy back my stock to boost earnings per share. There's a pressure there that you can't ignore, and it's counter to whatever is good for the country."

If it hurts the economy as a whole, it can nearly cripple individual companies. Daisy Systems found that out the hard way. Its quality problems finally hit home last week. Its rush to ship products may have pumped up earnings for a few quarters, but it soured customers. Many stopped buying, and last week Daisy said it had moved into the red. Its stock lost one-third of its value.

Executives of other companies say such lessons are repeated again and again. "It's easy to create a state of euphoria for three months," said Dwayne O. Andreas, chairman of Archer Daniels Midland Co., a giant grain processor based in Decatur, Ill.

(Continued on Page 15, Col. 1)

U.S. Indicators Show 'Isolated' Fall in January

WASHINGTON — The main gauge of future U.S. economic activity, the Index of Leading Economic Indicators, fell a sharp 0.6 percent in January, the first decline in nine months, the Commerce Department said Tuesday.

The fall was tempered by a sharp upward revision for December, however. The department now estimates that the index rose 1.5 percent that month instead of the earlier reported 0.9 percent.

Commerce analysts attributed virtually all of the decline to a huge swing in factory orders between December and January.

In December, a big rise in orders for commercial aircraft helped push the index up by the revised 1.5 percent. But a weakness in orders the next month accounted for 95 percent of the decline in the January index, the department said.

Despite the drop in January, many analysts said U.S. economic growth will pick up amid continuing low inflation due to falling oil prices and interest rates.

"An occasional setback in the index is not unusual during expansion periods," said the commerce secretary, Malcolm Baldrige.

"Even with this setback, the index rose at an annual rate of 5.7 percent during the past six months, compared with a 2.4-percent rate during the previous half year. This pickup points toward healthy economic growth during the near term."

Mr. Baldrige noted that the favorable implications of lower oil prices and the falling dollar are not reflected directly in the index, but will be reflected indirectly in various components in the coming months.

"I think the decline is an isolated incident," agreed Allen Sinai, chief economist with Shearson Lehman Brothers. "It is not indicative of an economy that will be weaker later in the year. Indeed from all indications, the economy later in the year will be very strong," he said.

He noted that of the index components that were down, one of them, real money stock, is likely to be up in future months. And the big decline in orders for plant and equipment should not be repeated in coming months to the same degree, he said.

"Certainly in the coming months the stock-market component will push the index higher and so will the building-permit component," Mr. Sinai said.

Last year, the economy grew 2.3 percent, the slowest pace since the 1982 recession.

In all, five of the 11 indicators showed negative readings in January. They were factory orders for plant and equipment, the category that contains commercial aircraft orders; business and consumer credit; net business formation; money supply, and a fall in the average workweek.

Five indicators made positive contributions. The biggest boost came from new orders for consumer goods. Other positive readings came from weekly unemployment claims, building permits, stock prices and changes in sensitive materials prices.

(AP, UPI)



Jesus Silva Herzog

Mexico Asks \$6 Billion in New Loans

Washington Post Service

MEXICO CITY — Mexico will seek \$6 billion in new loans from foreign lenders this year, \$2 billion more than it had planned to borrow before oil prices crashed.

Monday night's announcement by the Finance Ministry was Mexico's first public disclosure of its 1986 foreign-credit request since falling oil prices forced it to scrap its original plans for the year.

The original borrowing plan called for new commercial loans of \$2.5 billion and multilateral and government loans of \$1.6 billion.

Finance Minister Jesus Silva Herzog and Angel Garcia, the public credit director, plan to travel to Washington on Wednesday to discuss the request with U.S. officials.

The statement, issued after a meeting between Mr. Silva Herzog and President Miguel de la Madrid, said Mr. Silva Herzog's visit to Washington last week laid the groundwork for "what could become a financial and economic package that would resolve the difficulties of 1986."

Denying reports that Mexico would need as much as \$10 billion in additional credits to compensate for oil revenue losses this year, the Finance Ministry issued a revised version of the country's 1986 balance-of-payments outlook. It projects additional non-oil export earnings of \$500 million and \$1.5 billion less in import expenditures than originally had been estimated.

Mr. Sigler said there are at least six Italian short-haul airlines that have expressed interest in taking advantage of the ministry's decree.

Brazilians Back Wage-Price Freeze

By Alan Riding

New York Times Service

RIO DE JANEIRO — Buoyed by strongly favorable public reactions to the wage-and-price freeze decreed on Friday, Brazil has begun the complex task of readjusting its economy.

An early sign of confidence was that the difference between the official and the black-market dollar-exchange rate narrowed sharply Monday. Furthermore, the decision to lop three zeros off the old currency, the cruzeiro, and rename it the cruzado, was quickly accepted by banks, shops and consumers.

[The black-market currency market resumed trading Tuesday, with the dollar quoted at 15.50 to 17.50 cruzeiros, compared with Thursday's 18,000 to 20,000 cruzeiros, when the rate had risen sharply before the package was announced.]

Reuters reported from Rio de Janeiro that sources said they expect the spread to narrow once exporters' intentions become clearer. The official rate is about 13.80. The rate Thursday, before the reforms were announced, was 13,750 cruzeiros (13.75 cruzeiros).

From the man in the street to leaders of the business and banking community, there were also expressions of relief that the government had finally attacked inflation, which had risen 255 percent during the past 12 months and was heading toward the 500-percent mark for 1986.

But no one seemed quite certain of the effect of suddenly freezing wages, prices and rents in an economy in which, for 20 years, all economic factors were automatically adjusted to compensate for past — and allow for future — inflation.

The public immediately responded to the government's invitation that it help monitor the price freeze. Angry crowds ransacked several supermarkets that marked up their goods over the weekend.

But many other people acknowledged that they were uncertain how the measures would affect them personally.

The government's anti-inflation package had to make adjustments for the past practice of, for example, simultaneously increasing all wages or rents. As a result, a series of detailed tables were developed so that inflation-adjusted nominal values could be converted to their



José Sarney

They said a key test would come soon when powerful unions representing bank employees in Rio de Janeiro and metalworkers in São Paulo negotiate new annual contracts.

President José Sarney and his top economic officials met Monday with the governors of Brazil's 23 states to request their help in putting into effect the price freeze and inform them that the government expected zero inflation for March.

Stock Markets Soar

Share prices soared on Brazilian stock markets Tuesday as investors showed support for the government's anti-inflation package. Reuters reported from Rio de Janeiro.

By midday, the Rio stock exchange index had risen 13.2 percent and the São Paulo exchange index was up 23.8 percent.

Interest rates tumbled, with overnight deposit rates dropping to an annual 22 percent from about 400 percent, bank sources said.

Oil Below \$12 In U.S., Europe

The Associated Press

NEW YORK — The main grades of U.S. and British oil fell below \$12 a barrel Tuesday.

On the New York Mercantile Exchange, the benchmark West Texas Intermediate crude closed at \$11.98 a barrel in contracts for April delivery, down 29 cents from Monday's close. Oil last sold for less than \$12 in 1978. U.S. oil companies also cut the price they are prepared to pay for West Texas, with Citgo Petroleum Corp. dropping to an industry low contract price of \$14 a barrel.

European traders said that Brent oil for May delivery sold for \$11.86 a barrel, down 64 cents from Monday and the lowest price since Britain first pumped oil from the North Sea in 1975. At the start of this year, Brent was trading around \$26.

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The undersigned announces that as from 11th March 1986 at Kas-Associatie N.V., Spuisstraat 172, Amsterdam, div. p.n.a. 85 (accompanied by an "Affidavit") of the CDBs Sony Corporation will be payable with Dfls. 5.34 net per CDB, resp. 29 shs. and with Dfls. 26.70 net per CDB, resp. 100 shs. (div. per record-date 10.31.1985; gross Yen 22,- plus) after deduction of 15% Japanese tax = Yen 66,- = Dfls. 94,- per CDB, resp. 20 shs. Yen 330,- = Dfls. 470,- per CDB, resp. 100 shs. Without an Affidavit 20% Japanese tax = Yen 88,- = Dfls. 125,- per CDB, resp. 20 shs. Yen 440,- = Dfls. 625,- per CDB, resp. 100 shs. will be deducted. After 04.03.1986 the div. will only be paid under deduction of 20% Japanese with resp. Dfls. 5.03, Dfls. 25.15 net per CDB, resp. resp. 20 and 100 shs. each, in accordance with the Japanese tax regulations.

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NYSE Most Actives table with columns for Vol., High, Low, Last, Chg. and lists of active stocks like Wm. A. R., Amstar, etc.

Dow Jones Averages table with columns for Open, High, Low, Close, Chg. and lists of indices like Industrials, Transp., etc.

NYSE Index table with columns for High, Low, Close, Chg. and lists of market indices like Composite, Industrials, etc.

Tuesday's NYSE Closing logo and text: Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

AMEX Diaries table with columns for High, Low, Close, Chg. and lists of AMEX stocks like Advanced, Unchanged, etc.

NASDAQ Index table with columns for Close, Chg., Week Ago, YTD, and lists of NASDAQ indices like Composite, Industrials, etc.

AMEX Most Actives table with columns for High, Low, Close, Chg. and lists of active AMEX stocks like Wm. A. R., Amstar, etc.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials and lists of bond averages.

NYSE Diaries table with columns for Class, Prev., and lists of NYSE diaries.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, and lists of odd-lot trading data.

Standard & Poor's Index table with columns for High, Low, Close, Chg. and lists of S&P indices like Industrials, Transp., etc.

AMEX Sales table with columns for 4 P.M. volume, Prev. P.M. volume, and lists of AMEX sales data.

AMEX Stock Index table with columns for High, Low, Close, Chg. and lists of AMEX stock indices.

Large table of stock market data with columns for 12 Month High, Low, Stock, Div., Yld., PE, and lists of various stocks.

Late Selling Pushes Dow Lower

NEW YORK — A wave of late selling erased a sharp advance Tuesday on the New York Stock Exchange and sent the Dow Jones industrial average into its third decline in three sessions. Up nearly 15 points in mid-afternoon trading, the Dow went into an abrupt reversal and closed with a loss of 10.25 at 1,686.42.

Table of stock market data with columns for 12 Month High, Low, Stock, Div., Yld., PE, and lists of various stocks.

Table of stock market data with columns for 12 Month High, Low, Stock, Div., Yld., PE, and lists of various stocks.

Table of stock market data with columns for 12 Month High, Low, Stock, Div., Yld., PE, and lists of various stocks.

Paris Commodities table with columns for High, Low, Close, and lists of commodities like SUGAR, COFFEE, etc.

London Commodities table with columns for High, Low, Close, and lists of commodities like SUGAR, COFFEE, etc.

Asian Commodities table with columns for High, Low, Close, and lists of commodities like SINGAPORE GOLD FUTURES, etc.

Cash Prices table with columns for Commodity and Unit, and lists of cash prices for various commodities.

S&P 100 Index Options table with columns for Call, Put, and lists of S&P 100 index options.

DM Futures Options table with columns for Call, Put, and lists of DM futures options.

London Metals table with columns for High, Low, Close, and lists of metal prices like ALUMINUM, COPPER, etc.

Dividends table with columns for Company, Distribution, Per Annum, and lists of dividend-paying companies.

U.S. Treasuries table with columns for Maturity, Offer, Bid, Yield, and lists of U.S. Treasury securities.

Sydney Futures Set Record table with columns for Commodity, Price, and lists of Sydney futures data.

Table of stock market data with columns for 12 Month High, Low, Stock, Div., Yld., PE, and lists of various stocks.

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BUSINESS ROUNDUP

Natwest Posts 20% Rise in '85 Profit

Reuters
LONDON — National Westminster Bank PLC said Tuesday that its 1985 pretax profit rose 20 percent from a year earlier, to £804 million (about \$1.16 billion at current rates) from £671 million a year earlier.

Natwest attributed the gain to improved trading results, sharply higher U.K. banking profits and tighter cost control.

It said that all operating divisions showed improved results, with domestic banking profits rising 30 percent, to £526 million.

The results were well above most forecasts of around £765 million. In trading on the London Stock Exchange, Natwest shares rose

Tuesday to 739 pence from 709 pence at Monday's close before easing back later to 732 pence.

Natwest said it had trimmed its provision for bad and doubtful debts to £338 million from £351 million the year before.

Its cumulative provision for bad and doubtful debts of £1.01 billion represented 2.2 percent of total loans, up from 2 percent at the end of 1984, Natwest said.

Modest growth in its overall balance sheet reflected the translation effects of exchange rates, particularly the weaker dollar, it said.

A rise in foreign-exchange income to £72 million from £59 million was offset by net translation

differences of £28 million at year-end rates, it said.

Overall costs as a percentage of total income improved to 75 percent in 1985 from 78 percent the year before, Natwest said.

The rise in U.K. domestic banking profits stemmed from improved margins and commission income, it said. Results at its National Westminster Home Loans unit improved in the second half, yielding a full-year profit of £44 million, down from £60 million in 1984.

It said its U.S. banking unit, National Westminster Bank USA, reported a 36-percent increase in net income for 1985 while Lombard Group profits were 10 percent higher.

ITT Europe To Market Advanced Office System

By Axel Krause
International Herald Tribune
BRUSSELS — ITT Europe Inc. said Tuesday it will soon begin marketing a package aimed at integrating communications systems of companies and banks.

The package, known as Office 2000, comprises advanced telecommunications, data processing and computer technologies.

It has been under development for several years at a cost of about \$100 million. The development involved most of ITT's 15 European affiliates, which also will jointly produce the components.

"This move is part of our evolving pan-European strategy to expand, and we believe we are first with a package that combines convergence with telecommunications, computing and data processing," Daniel P. Weadock, ITT Europe's president, said at a press conference.

He estimated that Office 2000 will generate sales of about \$1 billion in 1986, doubling within the five following years.

However, Mr. Weadock and other company executives told the International Herald Tribune that West European competition was already fierce in advanced business



Daniel P. Weadock

systems that combine some of the same facilities.

ITT estimates the market for such systems at about \$30 billion annually and growing at about 15 percent a year.

Jan Loeber, ITT's director of market and product management, said: "Many companies from the United States, Europe and Japan are entering this field at a very, very fast rate, but we think we are now well-positioned."

He said ITT's main competitors are Siemens AG of West Germany, and I.M. Ericsson of Sweden, and to a lesser degree, International Business Machines Corp., American Telephone & Telegraph Co. and Olivetti of Italy.

Company executives said that although no sales contracts had yet been signed, potential customers for Office 2000 include European-based banks, particularly those introducing new financial services, as well as insurance companies and wholesalers, who are increasingly linking retailers with their ordering systems.

With such a business system, a company could typically run an internal telephone exchange, link it to branches in other locations, process satellite communications and electronic mail and deal centrally with accounting.

ITT executives emphasized that there were no direct links between Tuesday's announcement and the recent decision by ITT Corp. to abandon U.S.-based manufacturing of System 12, an advanced digital telephone-exchange system developed by ITT at a cost of about \$1 billion.

"The decision on System 12 does not in any way alter our commitment" to building and marketing System 12 in Western Europe, Mr. Weadock said.

Mr. Weadock said that ITT Europe's sales volume rose to about \$8 billion in 1985 from \$6.3 billion in 1984, while operating income rose slightly to about \$500 million from \$469 million. The results will be reported in several weeks.

BUSINESS PEOPLE

Bank of America Curbs Powers of Armacost

Los Angeles Times Service
LOS ANGELES — Bank of America's board, under intense pressure from investors, has removed Samuel H. Armacost, its president, from day-to-day management of the San Francisco-based bank.

Thomas W. Cooper, a relatively little known banking executive from Philadelphia who joined Bank of America last year, assumes the newly created post of president and chief operating officer. He is charged with "operational management of the bank's basic business," Bank of America said.

Separately, the board of BankAmerica Corp., the bank's parent company, firmly rejected a proposal by Sanford I. Weill, a New York financier, to raise \$1 billion in new equity capital in exchange for the chief executive's post at the bank, now held by Mr. Armacost.

Under the management realignment, Leland Prussia, chairman of the board of the bank, was stripped of that title but was named chairman of the bank's executive committee. Mr. Armacost gains the titles of chairman and chief executive of the bank.

The bank said that the moves were intended to "accentuate Bank of America's management strengths and add depth and emphasis to strategic areas of critical importance."

The Weill bid, disclosed in mid-February, helped boost the price of BankAmerica's stock and, some say, symbolized Wall Street's disillusionment with Mr. Armacost's

handling of the bank. The stock fell \$1.25 to \$16.375 Monday after investors apparently had concluded that Mr. Weill's offer would be rejected. BankAmerica had a \$337-million loss for 1985.

Ferruzzi Firm Names Gabrielli

By Terry Trucco
International Herald Tribune
LONDON — Mario Gabrielli, 43, former finance director of Italy's ENI, the state-owned energy corporation, has been named managing director of Agricola Finanziaria SpA, the holding company of the Ferruzzi agribusiness conglomerate. Italy's third largest private-sector group.

Mr. Gabrielli, who has broad experience in international finance, was financial manager of Olivetti SpA from 1974 to 1982 and group finance director of ENI through December. Most recently he was chairman of Enichem Fibre, a chemicals subsidiary of ENI.

Mr. Gabrielli's appointment to the new position at Agricola Finanziaria came in part because of the company's increasingly international profile, a company spokesman in Italy said. Ferruzzi recently increased its stake in Beghin-Say, the French sugar and paper-products group, to 49.6 percent. And it is hoping to conclude a friendly takeover of British Sugar Corp. PLC, a subsidiary of S & W Berisford PLC; if successful, the compa-

2 Top Aides Quit Chase U.K. Unit

Reuters
NEW YORK — Two top members of Chase Manhattan Ltd.'s Eurobond sales and trading team have resigned, and further resignations from the London-based company are likely, a spokesman of the parent company, Chase Manhattan Corp., said Tuesday. Those who resigned are Michael Bowen, head of international capital markets, and John Salmon, head of trading.

The New York spokesman said Chase was holding discussions with other staff members, but he dismissed market talk that the number of resignations could reach 22. "The count is going to be higher, but it'll be way short of 22," he said.

The Chase spokesman said the resignations, although regrettable, were not entirely unexpected in light of a restructuring of the London securities-trading operation completed last month. The restructuring "is not going to be particularly disruptive," he said.

ny would control 22.5 percent of Western Europe's sugar market.

Credit Agricole, the French cooperative bank, said it will open a subsidiary in Frankfurt in October. Reiner Giot, 51, former vice president and area treasury executive for Chase Manhattan Bank N.A. London, will head the office as senior vice president and general manager.

GM Plans to Repurchase \$2 Billion of Stock

By John Holusha
New York Times Service
DETROIT — General Motors Corp. has announced a plan to buy back \$2 billion of its stock. The program is focused on the shares the automaker issued last year to acquire Hughes Aircraft Co.

GM had suggested recently that it might start buying some stock, as Ford Motor Co. and Chrysler Corp. have been doing in recent months. However, some analysts questioned the emphasis on the new shares, called class H, rather than on GM common stock.

In a statement issued on Monday, GM said it would buy up to 21.5 million shares of class H stock

during the year, about one-third of the amount outstanding.

The company also said it would buy up to 8.5 million shares of its class E stock, which was issued when it acquired Electronic Data Systems, and 10 million shares of GM common. If all this is done, about one-seventh of the class E shares will be retired and less than 3 percent of the common.

"I don't understand it," said Ronald Glantz, an auto industry analyst with Montgomery Securities in San Francisco. "It's a little disappointing for GM stockholders."

Repurchase programs are generally initiated by companies with ample cash that want to support

the stock price by reducing the number of shares outstanding.

The GM statement said buying the three classes of shares at present prices would involve a cost of \$825 million for class H, \$350 million for class E and \$775 million for the common, totaling \$1.95 billion.

Chrysler started the current round of auto stock repurchases in January 1984, when it said it planned to buy up to 25 million shares over two years.

Ford announced last year that it planned to buy back up to 30 million of a total of about 185 million shares. The company said late in 1985 that it had bought 10 million shares in the open market.

COMPANY NOTES

BAT Industries PLC has agreed to sell the major interests of its Grovewood Securities Ltd. subsidiary to buyers brought together by Citibank Investment Bank for £119.5 million (\$172.1 million) cash. Grovewood is an industrial and property company bought when BAT acquired Eagle Star Holdings PLC in early 1984.

Eastern Airlines Inc. said it was confident that its senior lenders would soon lift the Feb. 28 declaration of technical default on its \$2.5 billion in debt. Eastern said cost savings on new labor agreements would save \$300 million a year, and efficiency and revenue generation should improve after Eastern's proposed merger into Texas Air Corp.

Honda Motor Co. has raised its passenger car prices in the United States by an average 3.6 percent to cope with the yen's recent appreciation against the dollar. It is the second price increase of Honda's

Accord, Prelude and Civic cars since December, when they were raised by an average 4 percent.

Key Pharmaceuticals Inc., a Miami company known for innovative methods of administering drugs, is considering a merger with Schering-Plough Inc. drug and cosmetics company. Key said its shareholders would receive 0.265625 share of Schering stock, or about \$17, for each of Key's 35.4 million shares, a total of more than \$600 million.

Mitsubishi Electric Corp.'s parent current profit for 1985-86, which ends March 31, is likely to be below 50 billion yen (\$278 million), down from an estimated 60 billion, because of the yen's strength against the dollar, a company spokesman said. Current profit in 1984-85 was 85.04 billion yen.

Nokia Oy, the Finnish energy and chemicals concern, will ask shareholders' permission for a 65-million-markka (\$12.8-million)

share issue aimed at overseas investors. The issue would consist of a maximum of 650,000 shares, comprising 350,000 free ordinary shares and 300,000 free preference shares.

Nortian Opax PLC, a British printing group, is making a bid for McCorquodale PLC, a printing and publishing group, valuing the company at about £110.9 million (\$159.7). The offer consists of 24 Nortian Opax ordinary shares and 7 McCorquodale convertible preference shares for every 20 McCorquodale ordinary shares.

Peko-Wallenda Ltd. of Australia said it would make a takeover bid for the issued capital outstanding of Peko Oil Ltd. by offering one of its ordinary shares for every six Peko Oil shares. Peko currently holds 53.95 percent of the issued capital of Peko Oil. The offer is worth about 85 cents (59 U.S. cents) for each Peko Oil share.

Icahn Threatens To Sell Off TWA

Los Angeles Times Service
NEW YORK — Carl C. Icahn, chairman of Trans World Airlines, has warned that if flight attendants strike and other union members do not cross their picket lines he might dismantle the airline and sell off its pieces.

"It's worth a heck of a lot of money," he said Monday. The financier spent between \$350 million and \$360 million for his investment in the fifth-largest U.S. carrier.

The 7,000 members of the Independent Federation of Flight Attendants who work for TWA are scheduled to strike at midnight Thursday. Federal mediators in Washington are trying to end the deadlock over a new contract that includes union concessions.

THE EUROMARKETS

Dollar Straights Firm After Report in U.S.

By Christopher Pizzey
Reuters
LONDON — The dollar-straight sector of the Eurobond market ended 1/4 to a full point firmer Tuesday, as the U.S. credit market extended its recent strong gains after news that the January leading indicators fell 0.6 percent, dealers said.

Investors in London are still adopting a cautious strategy when it comes to opening new positions.

"There was a bit of retail buying today, but it was very selective," a dealer at a U.S. brokerage said. Consequently, the yield gap between the U.S. and Eurobond market remains as wide as ever.

Sweden issued a \$250-million, 30-year bond paying 8 1/2 percent and priced at par. The issue began trading within its 1 1/2-percent sell-

ing concession and firmed to end at a discount of 3/4. Salomon Brothers International lead managed the issue.

Another sovereign borrower to tap the market was New Zealand, which launched a \$150-million bond paying 8 1/4 percent over seven years and priced at 99 1/2. It ended inside the 1 1/4-percent selling concession at a discount of 15/16. The lead manager was Credit Suisse First Boston.

Credit Suisse First Boston also led a \$100-million bond for Internorth Inc. The 10-year issue pays 9 1/4 percent and was priced at 100 1/2. Trading was not active in the issue, dealers said.

Fujita Corp. issued a \$50-million equity warrant bond that has an indicated coupon of 4 1/2 percent. The five-year issue was priced at

par. Final terms will be fixed on March 11. The lead manager was Nomura International Ltd.

The Swiss market saw a unique perpetual issue for PepsCo Inc. that for the first 10 years will pay annual interest in dollars. The bond will pay \$200.64 for each \$,000-Swiss-franc bond.

The coupon will then be refixed in 1996 at the average yield during the last five days of 10-year U.S. Treasury bonds less 50 basis points, annualized and then rounded up to the nearest 1/4 point. The coupon will be refixed every 10 years using the same formula. There are also put and call options every 10 years.

The exchange rate for the issue has been set at 1.8950 Swiss francs to the dollar. If the dollar is below that rate, the investor will receive a correspondingly lower payment.

Lloyds Bank 1985 Results

LLOYDS BANK Plc FINANCIAL HIGHLIGHTS OF THE YEAR ENDED 31 DECEMBER 1985

	1985	1984
Profit Before Tax	US\$807 million	US\$541 million
Profit After Tax	US\$476 million	US\$274 million
Post-Tax Return on Average Total Assets	0.77%	0.55%
Post-Tax Return on Average Equity	15.1%	12.1%
Earnings Per Share	US\$1.34	US\$0.75
Dividends Per Share	US\$0.30	US\$0.20
Dividend Cover	4.4 times	3.7 times

The main features of 1985 were:

- Higher profit, earnings per share and dividend; and a 1 for 2 scrip issue.
- A significant strengthening of our capital base.
- Strong performance in UK.
- Continuing prudent approach to provisions for bad and doubtful debts, but write-offs down.
- The creation of Lloyds Merchant Bank, the sale of our investment in the Royal Bank of Scotland, and the merger of the clearing bank and Lloyds Bank International (1 January 1986).

"1985 was a year in which we significantly strengthened our capital base and reduced our relative exposure to international debt problems. These excellent results, which were enhanced in dollar terms by the movement of exchange rates, allow us to increase the dividend and we propose a further 1 for 2 scrip issue. We shall continue to push forward in 1986."

Sir Jeremy Morse, Chairman of Lloyds Bank Plc

Further details of Lloyds Bank's 1985 results may be obtained from: Corporate Communications Division, Princess House, 152/156 Upper Thames Street, London EC4R 3UJ, England. Telephone: 01-929 2777.



A THOROUGHbred AMONGST BANKS.

Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS, England

Tuesday's NYSE Closing

Tables include the action prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table of stock market data including 12 Month High/Low, Div. Yld. PE, and Close. Includes sub-sections for (Continued from Page 10) and various stock listings.

NEW ISSUE \$225,000,000 Public Service Company of New Hampshire Deferred Interest Third Mortgage Bonds Series A Due 1996

All of these securities having been sold, this announcement appears as a matter of record only. Merrill Lynch Capital Markets, Drexel Burnham Lambert, Kidder, Peabody & Co.

NEW ISSUE \$100,000,000 The Industrial Development Authority of the State of New Hampshire 10 1/2% Pollution Control Revenue Bonds, 1986 Series A (Public Service Company of New Hampshire Project)

Dated: February 1, 1986 Due: February 1, 2016 Price: 98% Plus Accrued Interest from February 1, 1986

Public Service Company of New Hampshire

The Bonds will be issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. Principal of the Bonds will be payable at the principal corporate trust office of Amoskeag National Bank & Trust Co., Manchester, New Hampshire, as Trustee, Registrar and Paying Agent.

In the opinion of Bond Counsel and Special Counsel to the Company, interest on the Bonds is exempt under existing statutes and regulations, as presently applied, from federal income taxation so long as the Bonds remain in registered form as required by Section 103(i) of the Internal Revenue Code of 1954, as amended (the "Code").

The Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of their validity by Ropes & Gray, Boston, Massachusetts. Bond Counsel and Special Counsel to the Company, and certain other conditions. Certain legal matters will be passed upon by the Company by Salloway Hollis & Soden, Concord, New Hampshire and Ropes & Gray, Boston, Massachusetts, and for the Underwriters by Reid & Priest, New York, New York.

Merrill Lynch Capital Markets, Drexel Burnham Lambert, Kidder, Peabody & Co. February 21, 1986

Market data tables for various commodities including Coffee, Cocoa, Orange Juice, Wheat, Corn, Soybeans, Soybean Meal, Soybean Oil, Soybean Meal, Soybean Oil, Soybean Meal, Soybean Oil, Soybean Meal, Soybean Oil.

U.S. Futures Via The Associated Press

March 4

Grains

Table of grain futures prices including Wheat, Corn, Soybeans, Soybean Meal, Soybean Oil.

Livestock

Table of livestock futures prices including Cattle, Hogs, Pigs.

Currency Options

March 4

Table of currency options prices including Philadelphia Exchange, British Pounds, Swiss Francs, Japanese Yen, French Francs, Deutsche Marks, Canadian Dollars, Australian Dollars, New Zealand Dollars, Hong Kong Dollars, Singapore Dollars, Taiwan Dollars, South African Rand, Mexican Pesos, Brazilian Reals, Indian Rupees, Thai Baht, Indonesian Rupiah, Philippine Pesos, Singapore Dollars, New Zealand Dollars, Hong Kong Dollars, South African Rand, Mexican Pesos, Brazilian Reals, Indian Rupees, Thai Baht, Indonesian Rupiah, Philippine Pesos.

Financial

Table of financial futures prices including US Treasury Bonds, US Treasury Notes, US Treasury Bills, Municipal Bonds, US Treasury Bonds, US Treasury Notes, US Treasury Bills, Municipal Bonds.

Food

March 4

Table of food futures prices including Coffee, Cocoa, Orange Juice, Wheat, Corn, Soybeans, Soybean Meal, Soybean Oil.

Metals

Table of metal futures prices including Copper, Aluminum, Silver, Gold, Platinum, Palladium.

Stock Indexes

Table of stock index prices including S&P 500, NYSE, NASDAQ, Dow Jones Industrial Average, Dow Jones Transportation Average, Dow Jones Utility Average, Dow Jones Real Estate Average, Dow Jones Commodity Average, Dow Jones International Average, Dow Jones Global Average, Dow Jones Emerging Markets Average, Dow Jones Developed Markets Average, Dow Jones Frontier Markets Average, Dow Jones Resource Rich Average, Dow Jones Resource Poor Average, Dow Jones Energy Average, Dow Jones Chemical Average, Dow Jones Technology Average, Dow Jones Healthcare Average, Dow Jones Consumer Goods Average, Dow Jones Financial Average, Dow Jones Industrial Average, Dow Jones Transportation Average, Dow Jones Utility Average, Dow Jones Real Estate Average, Dow Jones Commodity Average, Dow Jones International Average, Dow Jones Global Average, Dow Jones Emerging Markets Average, Dow Jones Developed Markets Average, Dow Jones Frontier Markets Average, Dow Jones Resource Rich Average, Dow Jones Resource Poor Average, Dow Jones Energy Average, Dow Jones Chemical Average, Dow Jones Technology Average, Dow Jones Healthcare Average, Dow Jones Consumer Goods Average, Dow Jones Financial Average.

Commodity Indexes

Table of commodity index prices including Moody's, Reuters, D.J. Futures, Commodity Research Bureau, Moody's, Reuters, D.J. Futures, Commodity Research Bureau, Moody's, Reuters, D.J. Futures, Commodity Research Bureau.

Table of stock market data including 12 Month High/Low, Div. Yld. PE, and Close. Includes sub-sections for (Continued on Page 13) and various stock listings.

Handwritten Arabic text: "ملا في الج"

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table of NYSE stock prices including columns for 12 Month High/Low, Div. Yld. PE, and various stock symbols like IBM, GE, and Ford.

Table of stock prices for various companies, including columns for 12 Month High/Low, Div. Yld. PE, and stock symbols like AT&T, Exxon, and General Electric.

Table of stock prices for various companies, including columns for 12 Month High/Low, Div. Yld. PE, and stock symbols like IBM, GE, and Ford.

Table of stock prices for various companies, including columns for 12 Month High/Low, Div. Yld. PE, and stock symbols like IBM, GE, and Ford.

Table of stock prices for various companies, including columns for 12 Month High/Low, Div. Yld. PE, and stock symbols like IBM, GE, and Ford.

Table titled 'NYSE High-Lows' showing high and low prices for various stock symbols.

Table titled 'NEW HIGHS' and 'NEW LOWS' listing various stock symbols and their corresponding high and low prices.

Floating-Rate Notes

Table of floating-rate notes with columns for Issuer/Mat., Coupon Next, Bid, and Ask prices for various currencies like Dollars, Pounds Sterling, Japanese Yen, Canadian Dollars, Deutsche Marks, and E.C.U.

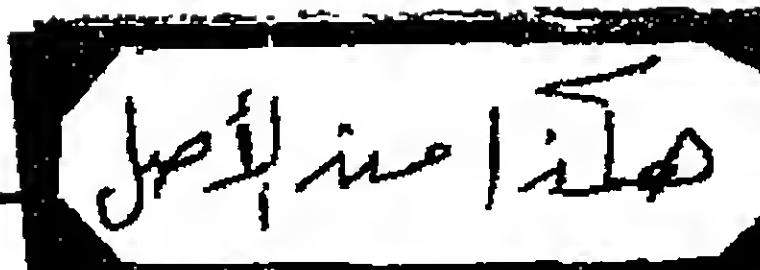
Table of floating-rate notes with columns for Issuer/Mat., Coupon Next, Bid, and Ask prices for various currencies like Dollars, Pounds Sterling, Japanese Yen, Canadian Dollars, Deutsche Marks, and E.C.U.

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Advertisement for Republic National Bank of New York, featuring a large image of a person and the text 'WHAT WOULD LIFE BE LIKE WITHOUT IT? WEEKEND EACH FRIDAY IN THE IHT'.



Some U.S. Firms Obsessed With Quarterly Profit

(Continued from Page 9)
But if you emphasize short-term earnings and neglect long-term planning, then the light at the end of the tunnel is an oncoming train.
Last year Procter & Gamble Co. made some expensive long-term investments in hopes of increasing market share for Tide detergent, Pampers diapers and Crest toothpaste. The investments were sorely needed, and have already resulted in higher market shares and earnings. But shareholders reacted sourly. P&G's stock took a temporary plunge, to slightly above \$50 a share, from \$60.

to almost instantaneous stock price data and can dump a stock literally moments after bad quarterly news is issued.
Moreover, the recent merger fever has made managers fear that if their quarterly results are weak, their stock prices will drop so much that their companies will become ripe targets for acquisition.
But while a lot of blame for the corporate myopia must go to the investment community, much of it must be borne by management itself. Many corporate executives do not take their eye off quarterly results because their bonuses are pegged to near-term jumps in earnings or stock prices. Moreover, the same executives who complain about pressure for short-term results often apply such pressure to their own pension fund managers.
'It's ironic that the same corporate executives who complain about the short-term outlook of financial analysts and capital markets will review their pension fund managers every quarter and perhaps fire any that seriously underperform the market,' said Robert S. Kaplan, a professor of industrial administration at the Harvard Business School and former dean of Carnegie-Mellon University's business school.
Money managers insist that they would be delighted if they did not pay close attention to, and act upon, short-term results. And, of course, they insist that they are not fooled by corporate numbers-juggling.
'Analysts and investors are always looking forward,' said Lee Seidler, managing director of Bear

Stearns & Co., a Wall Street brokerage, who says that quarterly data are vital for forecasting earnings. 'The more current the information, the better shot you have of correctly estimating the future.'
Some experts insist that Wall Street does pay attention to the long term. William Beaver, an accounting professor at the Stanford Business School, said: 'If management announces the right decisions, the market tends to reward it based on what the long-term impacts on earnings will be, even though the short-run effects on profits may be poor.'
Not surprisingly, takeover artists, who are often blamed for many economic ills, also say that the concept of the tyranny of quarterly earnings is specious. For example, T. Boone Pickens, chairman of Mesa Petroleum Co. and a raider extraordinaire, insists that good managers have little to fear from him or from any activist shareholder.
'If management has done a good job for stockholders, they can report their earnings every Monday morning,' he said. 'If you do the best job you can, both the short- and long-term will be taken care of.'
The problem would be moot, of course, if Congress were to repeal the Securities Exchange Act of 1934. That law requires public corporations to report revenues, earnings, debt and other financial data every quarter.
But no one predicts that this will happen, nor do many critics of quarterly earnings even agree that it should.

'Given the quick pace of the marketplace, there is no alternative really for quarterly reports,' said Abraham I. Brilloff, a professor of accounting at Baruch College, a New York business school.
'As the period covered by a financial report grows shorter, the significance of various uncertainties grows greater,' explained John C. Burton, dean of Columbia University's School of Business. 'A relatively small number will affect the bottom line more in a short period than if you are looking at a longer period.'
For example, take a company that reported \$1 million net income for the year. Say that company assessed its inventory at \$2 million at current market value. If its estimate of market value is off 5 percent, that means a \$100,000 error, one that will throw off the reported annual income by 10 percent. But assuming the company had \$250,000 in quarterly income, the quarterly figures would be off 40 percent.
Many experts say these problems are destined to worsen, as Japan continues to gain ground in international markets. Japanese shareholders are far less troubled by blips in earnings and stock prices, provided that the company's competitive position gets demonstrably better.
'In this sense, Japanese institutional investors can be much more long-term oriented than ones in the United States,' said Takashi Sumitomo, chairman of Sanryo Securities America.

Company Results
Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.
British National Westminster
Year: 1985
Revenue: 2,623.0
Profit: 222.0
Per Share: 1.22
1984 Revenue: 2,471.0 Profit: 203.0 Per Share: 1.08

CURRENCY MARKETS
Dollar Is Mixed in U.S.; Minister Sterling Turns Higher Backs New Lira in Italy

NEW YORK — The dollar ended mixed to slightly lower Tuesday after the U.S. Commerce Department reported an unexpected 0.6 percent fall in its Index of Leading Economic Indicators for January.
But the British pound rebounded strongly from Monday's sell-off as operators took profits on substantial short positions.
Dealers said speculation that West Germany's central bank would cut its Lombard and discount rates on Thursday, in concert with cuts in the Japanese and U.S. discount rates, limited the dollar's decline after release of the leading indicators.
Dealers said selling pressure also was tempered after the U.S. Commerce secretary, Malcolm Baldrige, said the U.S. economy should experience healthy growth in the near term despite the drop in the indicators. His outlook was endorsed Tuesday by many private economists.
'Many traders are becoming more and more convinced that the dollar is bottoming out,' said one London-based U.S. bank dealer.
In New York, the dollar slipped to 2.1218 Deutsche marks from 2.1240 on Monday, and to 6.8125 French francs from 6.8200. But it rose to 179.40 yen from 179.30 and to 1.3810 Swiss francs from 1.3775.
In London, the dollar fell to a quoted low of 2.1925 DM after

London Dollar Rates
Country: U.S.
Dollars: 1.0000
Pounds sterling: 0.7563
Japanese yen: 179.40
Swiss franc: 1.3810
Fresh base: 6.8125
Source: Reuters

ROME — Italy's Treasury minister, Giovanni Goria, has said that the time is right to introduce a new lira, worth 1,000 times the existing one. That would mean that the lira, now at about 1,511 to the dollar, would be worth about 1.5 to the dollar at current exchange rates.
Mr. Goria, responding to a question in the lobby of parliament Monday, said present favorable conditions for such a move 'should not be allowed to slip by.' A Treasury spokesman said that his views were unofficial and any decision would be made by Prime Minister Bettino Craxi's cabinet.
Mr. Craxi said in late 1984 that Italy would raise the value of its currency by 1,000 by the end of 1985 if inflation continued to fall and other circumstances were favorable.
Mr. Goria said Tuesday that the fall in crude-oil prices and decline in the value of the dollar especially favored introduction of the new 'heavy' lira.
Il Tempo and Il Giorno, two papers that carried Mr. Goria's remarks, said the continuing boom of the Milan Stock Exchange and predictions of a further decline in inflation from the 8.5-percent annual rate were additional factors.

Tuesday's OTC Prices
MASDAQ prices as of 3 p.m. New York time.
Via The Associated Press

Table with columns: 12 Month High, Low, Stock, Div. Yld., Sales, High, Low, 3 P.M. Close, Net Change. Lists various OTC stocks like ADCTI, AEL, AEM, etc.

Tuesday's AMEX Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High, Low, Stock, Div. Yld., PE, 1985 High, Low, Close, Quot. Chg. Lists various AMEX stocks like Tennyson, Wedco, etc.

AMEX High-Lows
NEW HIGHS
NEW LOWS

Table with columns: 12 Month High, Low, Stock, Div. Yld., PE, 1985 High, Low, Close, Quot. Chg. Lists various AMEX stocks like Wedco, Tennyson, etc.

AMEX High-Lows
NEW HIGHS
NEW LOWS

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AMEX High-Lows
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AMEX High-Lows
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Table with columns: 12 Month High, Low, Stock, Div. Yld., PE, 1985 High, Low, Close, Quot. Chg. Lists various AMEX stocks like Tennyson, Wedco, etc.

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SPORTS

A Danish Jewel Finds the Right Setting at Juventus

International Herald Tribune LONDON — Riches to riches, rags to bankruptcy. Ruthless business, rags to riches. The European Cup, resuming Wednesday after winter hibernation, brings in colossal money for the Barcelona-Juventus quarterfinal. More a matter of pride (and no small mischief) spurs Kiusy Lahti of Finland. Its team of part-timers is cutting a swath through the Eastern bloc; they have knocked off the Yugoslav and the Soviet champions, and next in line is Romania.

But this is March — the ides are about, and the little men of soccer pay a price for their might out in Europe. Remember Bangor City, the tiny Welsh club romancing its way to a meeting with Athletic Madrid last November? Bangor spent £30,000 (about \$42,000) bringing its ground up to fortified European standards. It now faces a winding-up order for debts that Barcelona and Juventus players would sneer at were the total offered them as a victory bonus.

ROB HUGHES

school year were not only Barcelona and Juventus, but also Liverpool, Borussia Mönchengladbach and Ajax Amsterdam. Laudrup was barely out of school uniform when, at 18, his sharp acceleration and instinct for being in the right goal-scoring position at the right moment shot him onto the Danish international side.

Denmark tried as long as it could to nurse the slender lad from Brøndby. His father Finn, a former 21-game international, knew the jungle of European soccer and was there when the bartering began. "Barcelona and Liverpool showed the most interest at first," he recalls.

"In February 1983, Michael went to Barcelona to meet the president, Josep-Luis Nuñez. Fortunately, I remembered just in time what Allan Simonsen (another outstanding Dane who earned a fortune but was wrecked by injury at Barcelona) told me about Spanish football. 'Finn,' he'd said, 'there's too much kicking in Spain. Give this one a miss.'"

Weeks later, Liverpool announced it had Laudrup sewn up. All was agreed, nothing was signed. Later it emerged that Liverpool tried to extend a two-year agreement into one of four years — without extending the financial terms. . . . So, on to Juventus.

Italian persuasion was more than monetary. The Laudrups saw the English sides playing too often, chasing too many high balls. That, they decided, would wear down the nimble young man.

Juventus, with half the games, loaned out the precious apprentice for what he calls an "awful" two years with Lazio of Roma. The club, in constant turmoil, inevitably fell into Division 2, and Juventus thought the time ripe to replace Paolo Rossi with Laudrup.

Juventus had at last won the European Cup, albeit in the tarnished circumstances of the Heysel Stadium tragedy. Reorganization toward winning again also brought in Lionello Manfredonia and Aldo Serena when Marco Tardelli and Zbigniew Boniek left.

According to Platini, the changes make for a less spectacular but more efficient Juventus. Platini's liberty is curbed, and Laudrup plays a more withdrawn role behind the main striker.

He blossoms there. Less skeletal than Rossi, perhaps less deadly, Laudrup has a fresher appetite and scores more regularly in a season taking Juventus comfortably toward retaining the Italian title.

His big occasion goals come especially after the Stadio Comunale. In Tokyo a few months ago, he scored a late equalizer that helped Juventus win the World Club Cup. In Dublin he waltzed past the entire Irish defense to put Denmark into the World Cup and to bring his personal tally to 17 goals in 26 internationals.

to capture the best goal in Belgium, comes up against the resistance of Jean-Marie Pfaff in Munich on Wednesday when he opposes the Belgian champion on behalf of Bayern.

And Real Madrid might regret penning off its West German, Uli Stielicke, to a Swiss backwater. Stielicke returns to the Bernabeu Stadium with Xamax Neuchâtel, full of knowledge about what makes Real tick and rummaging, these days in midfield, against his former employer.

There should be a law against old boys coming back with new ambitions. A law, too, against champions of tiny nations reaching up to smack the giants on the nose.

Kiusy Lahti is mocking European Cup history. It amasses huge crowds in Finland — 2,893 the best to date — as it trends on big-brotherly toes. Sarajevo has been beaten, and Zenit Leningrad. Having eliminated the Russians who dictate the way they live, Lahti's men now aim to give the Romanian Army the runaround.

Stean Bucharest, formed by the ministry of defense, is built on international players, but should they freeze and should the Finns — despite four of their best players' leaving for greener pastures — rise to the occasion, one small rout of Eastern Europe will near completion.

Who dares wins, at least until the bills come in. Bangor City pursued the dream of keeping up with Europe's big boys. But a high court bankruptcy action is set to run its course on Monday, and John Ross-Jones, the Bangor chairman, admits: "Perhaps with hindsight it would have been better to have taken our European games to Wrexham and made a profit."



Michael Laudrup burst through the Argentine Junior defense, and past a lunging goalie, Enrique Vidalle, to score the equalizer for Juventus in the World Club Cup match in Tokyo.

Spencer-Devlin Gets Out of the Rough

By Ken Peters The Associated Press

COSTA MESA, California — So she sometimes walks backward up the fairway, occasionally seems to slip into a trance and often mentions her past and future lifetimes.

The mental hospitals, the drugs and the lost periods of her life are behind her, says Muffin Spencer-Devlin. "I'm a very disciplined, responsible person."

Spencer-Devlin, who turned to golf after her modeling-acting career flopped and she "went down and out in New York," has emerged as one of the better players on the women's tour.

She won \$133,372 on the LPGA circuit last year, nearly as much as she'd earned altogether in her previous five seasons, and also registered her first victory. She has been a runner-up once so far this year.

The willowy, 5-foot-11 (1.80-meter) Spencer-Devlin, who had limited amateur golf experience and learned to play the game after joining the tour in 1979, occasionally confounds onlookers.

A believer in reincarnation, she explains why she sometimes walks backward: "It's to strengthen my quadriceps. In my next life I'm going to be a downhill skier." She says she often seems to be in a trance on the course because she's meditating or doing breathing exercises.

Outgoing, personable and popular with galleries, Spencer-Devlin has overcome her dark periods. "I've put a lot into 32 years," she said. "I want to let people know it's not the end of the world if they have drug problems or other problems. I hope people will take my story, relate it to themselves and say, 'If she can do it, so can I.'"

Spencer-Devlin she looks back on her early 20s with a sense of humor and a sense of relief.

"Earlier in this lifetime," she said, "I was in New York trying to be a model and actress. I represented a couple of photographers and I represented a singer, Frolic Taylor."

"But I couldn't get Frolic a job, couldn't get the photographers a job — couldn't get myself a job — and after I kind of went down and out in New York, I turned to golf."

"Those were wild days. I did a little bit of everything." That included, she said, using practically



Muffin Spencer-Devlin: "I've put a lot into 32 years."

every kind of drug — "but I didn't ever shoot heroin. I look at it now and know that anybody who's doing drugs is not having a good time. Something's wrong."

Those days also included stays in two different mental hospitals, where, she says, she was mistakenly diagnosed as being manic-depressive. "I sort of disappeared for a month once, then woke up at my parents' home. I put myself in a couple of jams, about killed myself in car wrecks a couple of times, and

I thought that I'd better get it together or I wasn't going to reach 30."

The turning point of her life came when a doctor in California determined that she had low blood sugar. She decided to clean up her diet and her life.

"I found out I wasn't loony. I was just acting loony," she said. "I cut out sugar, alcohol. No more drugs, no red meat. . . . And my life has been step-by-step upscale ever since."

Baseball's Drug News Isn't All Bad

By Murray Chass New York Times Service

NEW YORK — Baseball development does not all center on drug suspension and rehabilitation. Dave Winfield of the New York Yankees and Joe Beckwith of Kansas City, for example, are in the forefront of a growing effort by players to polish the sport's tarnished image.

Some people believe the only way players can achieve that is to accept total testing for drug use. Winfield and Beckwith's group have adopted another approach — working on programs to educate school children on the problems drugs create.

"You see drug use going on in society as well as in sports," Winfield said, "but we are bearing the brunt of the heat of this problem. Athletes are just glaring examples."

The Winfield Foundation is working with the Drug Enforcement Administration in its Sports Drug Awareness Program. This year the foundation plans to conduct 20 to 30 assemblies in New York City and New Jersey schools. Using athletes and entertainers, the program will be aimed at junior and senior high school students.

"Some kids need to be scared," Winfield said. "Some need to know that drugs are going to affect their health. Some need to know that they can get into jail. Some need to know it can affect their family."

Winfield plans to recruit New

York area athletes for the foundation's programs. He might find willing participants in Keith Hernandez and Al Holland if they accept Commissioner Peter Ueberroth's alternatives to suspension.

Led by Beckwith, the Royals became involved in a school program in Shawnee Mission, Kansas, during the off-season as a result of a plan by the Major League Players Association to seek ways to educate children about drugs.

Beckwith, Kansas City's player representative, recruited seven teammates — Dan Quisenberry, George Brett, Charlie Leibrandt, Bud Black, John Wathan, Mike Jones and Jamie Quirk — and they met with fifth- and sixth-grade classes during the day and with parents in the evening.

"It was evident that the kids went home and talked to their parents about what we said," Beckwith said. "The kids asked us some tough questions, too. I was asked, 'What do you do if your parents use drugs in front of you. I said I'm not experienced enough to tell you what to do, but I said if I was me I'd tell them it made me feel uncomfortable. We also were asked why players don't want drug testing. I said baseball players are concerned with the drug problem and there probably were players who were willing to do testing. But our concern was protection for players and the accuracy of the tests.'"

The response to the program,

Beckwith said, "was tremendous. If people who have been critical of the players could see the reaction we've received from this, they'd feel differently, the relief pitcher said. 'I've received letters from teachers and principals. Everybody wants us to come.'"

The players also learned something about themselves. Beckwith said that Brett, a bachelor, was assigned to speak to the parents. "He said, 'How can I talk to parents about raising kids?' He did a tremendous job."



Joe Beckwith "The kids asked tough questions."

7-Bout Tournament Set Up to Unify Heavyweight Division

The Associated Press

NEW YORK — Boxing's convoluted heavyweight division is slated to be unified in a tournament that will take the fighters as far away as Perth, Australia.

A seven-bout "heavyweight World Series" co-promoted by Don King and Butch Lewis will, by the summer of 1987, reduce the three champions to a single titleholder.

The series will begin with two fights in Las Vegas: On March 22

Finkeln Thomas will defend his World Boxing Council crown against Trevor Berbick, and on April 19 Michael Spinks will make the first defense of his International Boxing Federation title against former champion Larry Holmes.

World Boxing Association champion Tim Witherspoon will get into things by facing a challenger in May or June, and the Holmes-Spinks IBF winner will go against another opponent in

September. At the end of the year, the Thomas-Berwick winner will defend the WBC crown against yet another challenger.

In March or April of 1987, there will be a WBA-WBC unification bout with the winner to fight the IBF titlist in May or June to produce a single division champion. One fight will be held in Perth, perhaps to coincide with the America's Cup yacht races scheduled for next January.

When the series concludes, it will be the first time the division has been ruled by one man since Feb. 1978 when Leon Spinks won the crown from Muhammad Ali. It was Spinks' decision to give Ali a rematch that triggered the splitting of the title. Leon's brother Michael now has made a similar decision, giving Holmes a chance to reclaim the title he held for seven and a half years.

"He's aching," Michael Spinks said of Holmes, whom he defeated for the IBF crown last September 21. "He wants it so bad. I can understand that. I think he's making a foolish move (coming back). But he has to deal with what's burning inside of him." Spinks will get \$3.5 million and Holmes \$1.5 million. Holmes, 36, had announced his retirement after losing for the first time in 49 professional fights. Why had he changed his mind? "It can't be the money this time," Holmes said. "I'm not getting it. Mike is. It's to avenge the loss."

SCOREBOARD

Hockey

NHL Standings

Table showing NHL Standings for the Wales Conference and Adams Division. Columns include Team, W, L, T, Pts, GF, GA.

Monday's Results

Table showing Monday's Results for NHL games. Columns include Team, Score, Goalscorers.

Transition

Baseball

HOUSTON — Stated Glenn Davis, first baseman, to a one-year contract. NATIONAL BASKETBALL ASSOCIATION CLEVELAND — Priced Einar Jones, forward, on the injured list. NATIONAL FOOTBALL LEAGUE CHICAGO — Named John Levra defensive line coach. GREEN BAY — Signed Mike Osovick, offensive lineman, to a one-year contract. ST. LOUIS — Named Jim Johnson defensive line coach.

Hockey

College Top 20s

The top 20 teams in the Associated Press college basketball poll (first-place votes, total points based on 25-100 vote, records through March 2 and last week's releases): 1. Duke (62) 2. Kansas (1) 3. North Carolina (25-4) 4. Kentucky (26-3) 5. St. John's (27-4) 6. Georgia Tech (25-5) 7. Michigan (25-4) 8. Syracuse (24-4) 9. Bradley (29-1) 10. Memphis State (25-4) 11. Louisville 12. Notre Dame 13. New-Las Vegas 14. Georgetown 15. Oklahoma 16. Indiana 17. Michigan State 18. Navy 19. Illinois 20. N. Carolina State

PGA Leaders

Statistical leaders on the Professional Golfers Association tour through the Honda Classic, which ended March 2: EARNINGS 1. Hal Sutton 20 \$141,860 2. Bernhard Langer 23 141,448 3. Calvin Peete 21 139,448 4. Tom Watson 20 132,158 5. Corey Pavin 21 118,476 6. Fuzzy Zoeller 12 115,875 7. Bob Tway 12 109,640 8. Payne Stewart 17 103,192 9. Tom Sills 23 96,143 10. Jodie Mudd 23 92,729 11. Doug Tewell 19 92,579 12. Clarence Rose 24 90,367 13. Paul Azinger 19 90,158 14. Kerry Cozz 24 87,000 15. John Mahaffey 24 82,734

GREENS IN REGULATION

1. Calvin Peete, 27.8; 2. Tom Watson, 26.4; 3. Don Koch, 26.2; 4. Johnny Miller, 26.0; 5. Mark Cook, 25.8; 6. Mark McCormack, 25.7; 7. Wayne Levi, 25.6; 8. John Mahaffey, 25.5; 9. Jodie Mudd, 25.4; 10. John Cook, 25.3; 11. Tom Sills, 25.2

PUTTS PER GREEN

1. Davis Love, 17.5; 2. Greg Norman, 17.2; 3. Gary McCord, 17.0; 4. Bernhard Langer, 17.0; 5. Jack Renner, 17.0; 6. Calvin Peete, 17.0; 7. Fred Couples, 17.0; 8. Tom Sills, 17.0; 9. Tom Sills, 17.0; 10. Tom Sills, 17.0; 11. Tom Sills, 17.0; 12. Tom Sills, 17.0; 13. Tom Sills, 17.0; 14. Tom Sills, 17.0; 15. Tom Sills, 17.0

PERCENTAGE OF SUB-PAR HOLES

1. Greg Norman, 26.7; 2. Hal Sutton, 25.2; 3. David Graham, 25.2; 4. Paul Azinger, 25.0; 5. Donnie Hammond, 24.2; 6. Colin Peete, 24.1; 7. Andy Bean, 24.0; 8. Mac O'Grady, 24.0; 9. Bob Tway and Bernhard Langer, 23.7

BIRDIES

1. Craig Stadler, 97; 2. Bob Tway and Mark Wiebe, 96; 3. Jay Singler, 95; 4. Bernhard Langer and John Mahaffey, 94; 5. Hal Sutton, 93; 6. Tom Sills and Larry Mizzi, 91; 7. Fred Couples, 90

Basketball

Selected College Results

Table showing Selected College Results for various conferences. Columns include Team, Score.

Monday's Results

Table showing Monday's Results for college basketball games. Columns include Team, Score.

NBA Standings

Table showing NBA Standings for Eastern and Western Conferences. Columns include Team, W, L, Pct, GB.

Monday's Results

Table showing Monday's Results for NBA games. Columns include Team, Score.

Baseball

Monday's Results

Table showing Monday's Results for baseball games. Columns include Team, Score.

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Advertisement for HEMMERLE JEWELRIER featuring a watch and the text "IB BLANCPAIN".

